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## ANALYSIS OF THE AGRICULTURAL MARKETING LEGAL FRAMEWORK OF SINDH AND PUNJAB



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# Abstract

This report is the outcome of consultancy for drafting legislation on agricultural produce marketing in the province of Punjab, and for reviewing the legal framework of reforms in the province of Sindh. Part One (*Sections 1-4*) is theoretical in nature, while Part Two (*Appendices A-D*) contains the practical outcomes.

This report provides a detailed analysis of the agricultural produce marketing in an international context, particularly in the countries relevant for Pakistan, in order to search for common successful practices. This includes a survey of USA (US Code Title 7 and California Food & Agriculture Code), Australia, South Africa and India and brings out the common practices in these countries. It further deals with agricultural produce marketing in Pakistan and explains the history of the applicable laws in Pakistan; it also provides an in depth analysis of the laws in Punjab with emphasis on the dynamics of the agricultural produce marketing along with the process of reforms; in Sindh, the issue is discussed with particular reference to the new law, its positive aspects, weaknesses and suggested amendments. This review is followed by the process of framing the law in the background of FAO guidelines on legislation for agricultural produce marketing in developing countries, the salient features of the proposed Punjab law along with the rationale for their adoption, and a comparison of the proposed law with the existing law.

# Acronyms

AP	Agricultural Produce
APM	Agricultural Produce Marketing
CEO	Chief Executive Officer
DC	Deputy Commissioner
Dir.	Director
EAC	Extra Assistant Commissioner
EDOR	Executive District Office (Revenue)
FAO	Food & Agriculture Organization (United Nations)
Govt.	Government
M.C	Market Committee
M.F.	Market Functionary
Mkt.	Market
PAMCO	Punjab Agrimarketing Company
P&D	Planning and Development
TOR	Terms of Reference
U.S.A	United States of America
USAID	United States Agency for International Development
US Code	United States Code (Federal Laws)

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# Executive Summary

This consultancy report gives a detailed review and analysis of the APM laws of Sindh and Punjab, explaining their dynamics, highlighting their weakness and assessing their impact on APM in these provinces in light of international practices followed in countries relevant to Pakistan.

The preliminaries in Section 1 are followed by Section 2; the agricultural produce marketing systems of related countries i.e. USA including State of California, Australia, South Africa and India have been studied in order to bring out the good practices in agricultural produce marketing that are commonly found in their laws. This review has generally been conducted along the lines of the policy framework developed by the co-consultant, Dr. Preston Pattie.

The analysis of agricultural produce marketing in USA highlights that although agriculture is a state subject, Congress has intervened through the Interstate Commerce Clause and Cooperative Federalism by enacting a plethora of Federal Laws (US Code Title 7 containing 113 chapters). The review of the law of California reveals an elaborate system of regulation through licensing, registration, direct marketing by farmers and farmer markets, supportive role of the Government, emphasis on standardization, quality and safety of produce, and the highly supportive role of the State functionaries.

Australia presents a unique system where a few federal laws regulate national level agricultural produce marketing while states have no special laws for regulating the agricultural produce marketing within the states and rely on the general marketing laws of the respective states.

South Africa presents an excellent model of a brief functional legislation at national level which enumerates four basic principles of agricultural produce marketing i.e. access to market, optimization of exports, viability of markets and efficiency of marketing, and authorizes the government to regulate the marketing through financial levies and directions for registration of exporters, importers, dealers and other operators. The levies and directions are catered to through a transparent and participatory process in which the national agricultural produce marketing council, an advisory body of stakeholders, plays an important role. There is no provincial law on APM.

India has a semi-reformed system with few federal laws, leaving the regulation of actual marketing under the state laws. Out of 28 states, 25 have special agricultural produce marketing law while the other 3 (Bihar, Kerala and Manipur) rely on the general marketing law of the state. The state laws are based on the old colonial pattern of the 1939 Act but the union government has drafted a model law for adoption by the states which has been adopted by 15 states out of 25 of above mentioned states. The model law has generally followed the old pattern with some substantial modifications such as private markets, exclusion of commission agents, direct marketing and contract farming.

A number of good agricultural produce marketing practices have been identified which include liberal marketing regime, contract farming, free competition/competitive neutrality, participation of private sector, enlistment (licensing/registration) of market operators,

direct marketing, value chains, farmer friendly marketing, alternative dispute resolution and participation of stakeholders with a supportive role of the Government.

Section 3 describes the process of law making according to the guidelines of the FAO, gives out the salient features of the proposed enactment and briefly explains the rationale for adopting these provisions. The salient features of the proposed law are: descriptive title and preamble; freedom of marketing/enabling environment; diversification of markets; alternative marketing channels including farmer markets, consumer markets and value chain; full participation of private sector; provision of a Provincial Board with advisory, regulatory and supportive functions; registration for wholesale markets, dealers, commission agents etc.; farmer friendly marketing system; alternative dispute resolution; quasi judicial tribunal as apex appellate forum; participation of stakeholders at system level; enforcement through mild penalties and deterrent fines; three tier subordinate legislation (rules, regulation and bye-laws); transformation of existing markets according to specific principles with flexibility in the manner of achieving these principles; three year period for smooth transitional arrangements and removal of difficulty clause to cater to unforeseen eventualities in the working of laws. A comparison of the main features of the existing law and the proposed law is also provided for easy reference.

Part II of the report has appendices, comprising the real products of the consultancy. Appendix A is the policy matrix and Appendix B is the proposed Punjab Agricultural Produce Marketing (Development and Modernization) Act, 2010. Appendix C provides a comparison of the Sindh Bill and the suggested law. Appendix D is a list of persons interviewed.



# 1. PRELIMINARIES

## 1.1. Introduction

Pakistan is by and large an agricultural country. Agriculture plays a very important role in its economy, particularly, in that of Punjab which has vast tracts of fertile lands of Indus basin and a well designed integrated irrigation system. Accordingly, it is leading the nation in this sector. However, the full potential of the province is not being exploited due to the unfavorable legal environment of agribusiness, as the legal and institutional framework of agricultural marketing is not based on a sound policy of the Government.

As a result, the agricultural development does not commensurate with the economic needs of the society. There are distortions in the agribusiness system which do not allow competition, development and growth in any of its components such as transportation, grading, packing, labeling, storage, distribution etc. of the agricultural products. The Punjab Government, realizing that this precarious situation is hampering its efforts towards modernization of agriculture and increase in farm productivity, has been seriously endeavoring since the last few years to develop a sound and sustainable policy for enacting a modern statute which provides strong underpinning for an effective institutional framework and efficient system. Accordingly, it has made a request to the USAID to play a befitting role, and help the province in coming out of this quagmire. The province of Sindh has followed suit. Hence this consultancy under the Chemonics International Inc. through its FIRMS project/ consultants, will develop a sustainable and workable policy framework and draft an Agricultural Produce Marketing Act in light of the best international practice/ successful institutional reforms in the developed agricultural economies.

However, in Pakistan, as in other commonwealth/ common law countries, for historical reasons, the mosaic vision of English Common Law is quite visible even in the codification of the laws in these countries, particularly: India, Pakistan, Bangladesh and Sri Lanka. Thus, there are often quite a few legal instruments relating to a single area/field of activity, with the result that changes in one legal instrument has ramifications in the interpretation and application of many others.

The complexity of the situation is further aggravated by the adverse socio political factors, emanating from the unstable political and economic situation. Thus, the assignment is fraught with immense challenges, which have also been mentioned by the relevant public functionaries during their discussions in the meetings with the consultants. Consequently, there is a need for abundant caution in handling the assignment.

## 1.2. Objectives of the Consultancy

The objective of this consultancy is to draft legislation, based on international best practices, for agricultural produce marketing in the province of Punjab. Additionally, it includes review of reforms undertaken by the province of Sindh in agricultural produce

marketing, particularly in the field of legislation and assists them in future activities for improvements in the system.

### **1.3. Plan of Work**

- Study and analysis of existing laws of Pakistan and other related countries along with draft/proposed laws and other related materials.
- Meetings and consultation with stakeholders, including senior officers of Agriculture Department, market functionaries, wholesalers, retailers, farmers, consumers etc.
- Participation in policy formulation through discussions with team leader and members of the team.
- Developing draft law, encompassing best international practices/successful institutional reforms in developed/developing agricultural economies, in light of proposed policy guidelines.
- Adjustments/ modifications in the draft legislation, after consultation with Government functionaries.
- Drafting the proposed Bill for consideration of the legislature and making a presentation to Secretary Agriculture/ Special Secretary Agricultural Marketing

### **1.4. Review of Literature**

A large volume of literature relating to agricultural produce marketing at international level, mostly in the common law countries, has been reviewed. These countries include USA, UK (Scotland), Canada, Australia, South Africa, Kenya, Tanzania, Zimbabwe, Malaysia, Indonesia, Philippines, India, Sri Lanka, Bangladesh, Pakistan, Egypt and Turkey. The details of the literature reviewed are given in the bibliography

### **1.5. Consultations with stakeholders**

The nature of the consultancy required wide ranging consultation; therefore very extensive and intensive interactions with various stakeholders were salient features of this assignment. Apart from the senior officers of the P&D and Agriculture Departments of Punjab and Sindh, wide ranging discussions took place at different levels.

Frequent in-house meetings, consultations and discussions were held with the BEE Team Leader, Mr. Suleman Ghani, Co-consultant Dr. Preston Pattie, Miss Asma Malik, Azim Azfar, and Mr. Hassan Ghazali, who made valuable contributions and played very vital roles in every aspect of the consultancy.

## 2. INTERNATIONAL PERSPECTIVE

### 2.1. Foreign Laws

#### 2.1.1. General

The best approach for drafting a reform law is to avoid wasting time and energy on reinventing the wheel and to learn from the experience of others. The TOR was designed on the basis of this wisdom.

From the outset it is important to briefly explain the larger issues. There are two main legal domains in the world, the Civil Law and Common Law systems. The former is working well in continental Europe, South America, Central America, former USSR states, China, Cuba and some former (non British) European colonies in Africa and Asia. The latter i.e. the Common Law system, which to a great extent is the basis of the legal system of Pakistan, is prevalent in UK and former British colonies including USA, Canada Australia, New Zealand, India, Bangladesh, Sri Lanka, Malaysia, Nigeria, Kenya, Tanzania and, to some extent, South Africa. The Islamic law, which has deep roots in many countries of Asia and North Africa, has also influenced the Pakistani system.

Moreover, any effort to learn from the experience of other systems is generally unproductive because of language barriers. Accordingly, the study of the legal framework of the agricultural produce at the international level will cover the countries following the Common Law system.

A large volume of literature relating to about 20 countries was reviewed. However, in-depth research covered only a few countries only as many countries were excluded because of their irrelevance / insignificance in agricultural produce marketing. Resultantly, the detailed review relates to USA, Australia, South Africa, India and Pakistan.

#### 2.1.2. United States of America

##### 2.1.2.1. Federal Laws

Agriculture is an important sector of the United States economy, having an elaborate legal and institutional framework under the federal and state laws. Although agriculture is not one of the subjects enumerated in Section 8 of Article 1 of the Constitution, on which the Congress can legislate, the Congress has, throughout its constitutional history, successfully pursued a process of expansion of the federal powers, *inter alia*, under the Interstate Commerce Clause. The Supreme Court has played a very vital role in this process, usually validating the expansionary laws. Thus, through its various decisions, including *Gibbons v. Ogden (1824)*, *Swift v. U.S (1905)*, *Stafford v. Wallace (1922)* and *Wickard v. Fillburn (1942)* the Supreme Court has, over period of about two centuries, allowed the Congress/ Federal Government to progressively enhance its powers over many state subject including agriculture. Moreover, apart from using the federal power over Interstate Commerce, the Congress has made liberal use of Cooperative Federalism by offering substantial grants to the states to implement the federal policy over state subjects through federal enactments.

*Wickrad vs Filburn*, is a high watermark case whereby the Supreme Court more or less surrendered the agricultural sector to the federal controlling regime by upholding the fixed quota of limited acreage for wheat cultivation under the Agricultural Adjustment Act 1938, ostensibly enacted under the Interstate Commerce Clause.

Encouraged by such successful interventions, Congress has liberally enacted laws relating to agriculture including agricultural produce marketing. It is worth noting that although agriculture is not basically a federal subject, today there are 113 chapters in Title 7 of the US Code that relate to agricultural laws. The federal legal framework of agriculture, inter alia, covers many areas of agricultural marketing under the following rubrics:

Standards (Ch.2); Packers and Stockyards (Ch. 9); Warehouses (Ch.10); Agricultural Producers Associations (Ch.12); Cooperative Marketing (Ch.18); Dumping and Destruction of Interstate Produce (Ch.20); Perishable Agricultural Commodities (Ch.20-A); Agricultural Marketing (Ch. 22); Agricultural Marketing Agreements (Ch.26-A); Agricultural Adjustments (Ch. 35); Price Support (Ch. 35-A); Distribution and Marketing of Agriculture Products (Ch.38); Surplus Disposal of Agricultural Commodities (Chapter 46); Consultation on Agricultural Programs (Ch.49); Unfair Trade Practice in Agricultural Products Marketing (Ch.56); Direct Marketing (Ch. 63); Agricultural Competitiveness and Trade (Ch.85); Environment Protection (Ch. 85); Export Promotion (Ch.87); Research (Ch 88-91); Organic Certification (Ch.94); Agricultural Market Transition (Ch.100); Agricultural Community Support Program (Ch.113)

### **2.1.2.2. State Law - California**

Within the federal legal framework, states have the constitutional mandate to enact laws on agriculture and agricultural produce marketing. Consequently, most of the states have enacted laws regulating this sector.

The State of California has been selected for detailed study of its agricultural products marketing. The selection is not arbitrary. It is based on the fact that California is the most successful state in agricultural production and marketing, contributing substantially to the US agricultural economy; its total agricultural production of US \$13 billion is higher than that of any other state- in fact more than the combined value of the production of Texas and Iowa, which are the second and third highest in US agricultural economy respectively. Moreover, fresh fruits and vegetables- the focus of this study--are the most prominent agricultural products of the state.

The California law provides for free competition in agricultural products marketing but heavy regulatory framework for marketing is imposed for standardization, working of market functionaries, fair market practices, records/returns and processing, grading, packing, storage and transportation of the products.

The Food and Agriculture Code of California contains elaborate and comprehensive provisions for the agricultural products marketing in the state. These provisions of the Code, deal with multifarious subjects, including plant quarantine and pest control (Div 4), animal and poultry quarantine (Div 5), milk and milk products (Div 15), certification of



agricultural products (Div 16), fruits, nuts and vegetables (Div 17) direct marketing/ certified farmers markets (Div 17), processors, stockers, dealers and distributors (Div 20), general marketing/ anti competition contracts (Div21), marketing orders and agreements (Div 21), marketing programs and peroration zones, advisory and promotional councils / commissions (Div 22 ) etc.

Through the above mentioned and other provisions of the Code, a fairly sophisticated, elaborate and highly regulated system of agricultural products marketing is in vogue in California, having full scope of fair competition with institutional safeguards through councils, commissions, committees and cooperatives. California law, in broad terms, provides as under:

*Direct Marketing:* The framers can sell their agricultural products directly to the dealers, processors and registered farmer markets, such marketing being exempt from requirements applicable to indirect marketing except maturity and quality of the products.

*Free competition:* The state law specifically provides for free competition and prohibits any restriction on free marketing of agricultural commodities.

*License/Registration:* All types of indirect marketing requires the dealers, commission merchants, brokers, stockers, distributors and agents to obtain license from the government, while other market functionaries are enjoined to register with the government.

*Self Regulation:* The marketing of agricultural products is generally regulated through marketing orders, marketing agreements, marketing programs, peroration zones- all developed though participatory and somewhat democratic processes.

*Limited Regulatory Regime:* There is strict regulation limited to standardization, grading packing and marking agricultural products,

*Advisory and promotional organizations:* A number of councils/commissions are working for individual products, which promote and support the marketing of more than thirty specific products such as tomatoes, meat, kiwi fruit, pistachios, peaches, cherries, walnuts, pepper, strawberries, forest products, dates, cut flowers, asparagus, blueberries, native plants, wheat, rice, eggs, poultry, oranges, grapes, avocados, nuts, almonds, salads, apples, onion, etc.

*Special Provisions:* Some areas are given special regulatory framework and there are separate standards for some produce such as onions, garlic, potatoes, tomatoes and grapes.

*State Support:* The Agricultural Department (Director) provides optional support, advice, arbitration/mediation, impartial marketing information, and fosters and encourages formation of cooperatives, linkages, consumer interests and interests of other stakeholders.

### **2.1.3. Australia**

#### **2.1.3.1. Federal Laws**

Australia presents a unique scenario. It has a federal system where the powers are distributed between the Commonwealth Government (federal) and its states under the

Australian Constitution (The Commonwealth of Australia Act, 1900) wherein agriculture is a state subject, and like most other systems, Australia, too, has federal laws dealing with agriculture. But somewhat surprisingly, the Australian States do not have special laws to regulate the farm produce marketing.

The federal laws of Australia regulate the farm products marketing through (a) Quarantine Act, 1908, (b) Trade Practices Act, 1974, (c) Export Control Act, 1982, along with the Organic Products Certification Order, 1997 issued under it, and (d) Horticultural Marketing Services Development Act, 2000. There are also self regulation initiatives by the farmers to maintain acceptable standards of their products.

### **2.1.3.2. State Laws**

As stated above, the Australian States do not have special laws for farm products marketing. Some states including Tasmania, South Australia, and Western Australia since long did not have such laws, whereas other states such as Victoria, New South Wales and Queensland repealed them in the recent past. Thus, the state legal framework regulating the marketing of commodities, in general, also applies to the marketing of farm products.

The law of Victoria, which is the major farm producing state of Australia, has been studied to understand the regulation of farm product marketing at state level. Apart from the federal laws applicable to farm products marketing, the general law of negligence is applicable to the farm product as well. The Food Act, 1984, governs, *inter alia*, the use of farm products in the processed food. Similarly, Gene Technology Acts, 2000 & 2001 and Genetically Modified Crops Act, 2004 control the marketing of genetically modified farm products.

However, total reliance on the general marketing law has resulted in deficiencies in some aspects of farm products marketing. Thus, the general state law which applies equally to the farmers and other sellers does not protect the farmers from the exploitation by the large scale trading companies. As almost all systems provide for protection of the farmers, the Australian Federal Government intervened in 2007 by framing and enforcing the Horticulture Code under Trade Practice Act, 1974.

The Horticulture Code regulates horticultural produce trade between farmers and wholesale traders, so as to provide adequate clarity and transparency in transactions and also provides for inexpensive alternative dispute resolution between the parties. The lesson from the Australian experience appears to be that excessive deregulation is as bad as-or even worse than- the excessive regulation.

### **2.1.4. South Africa**

The Republic of South Africa is a federal state with resultant distribution of powers between the federation and the units, under the Constitution, wherein the subject of agriculture is in the Concurrent List, thereby allowing the national as well as the provincial legislature to legislate on it; but as usual, with the proviso that in case of conflict the federal law shall prevail. The national legislature i.e. the Parliament has enacted the Marketing of Agricultural Products Act, 1996, which is a unique enactment, quite different from the

common law legislation. The Act expressly provides, at the outset, the basic objectives of this enactment, including market accessibility, and within the framework of these objectives, the Minister can issue Statutory Measures to a limited extent, for regulating the agricultural products marketing. These measures relate to levy of fees/charges (Sec 15) and directions (Sec 16-19).

The objectives of the law, enumerated in Section 2(2) of the Act, are increasing market access, promotion efficiency in marketing, optimization of exports and enhancement of viability of agriculture sector.

The Act provides an advisory body, National Agricultural Marketing Council, comprising 10 persons (stakeholders) having knowledge and experience in producing agricultural products, trade in agricultural products, agricultural economics, consumer issues and production and marketing by small scale farmers. The Council is constituted through a transparent and consultative process. The Federal Minister for Agriculture invites nominations for the members of the Council and refers the nominations received to a selection committee established for this purpose. The selection committee makes a short list (three for each category) of the suitable candidates and forwards it to the minister, who selects two persons for each category of members.

The Council is entrusted with the following functions:

Investigate, on its own, or on the request of minister, matters relating to statutory measures.

Prepare statutory measures on the direction of the minister.

Advise the minister on marketing policy, coordination of policy with related sectors, promoting objectives of the Act, monitoring and review of the application of statutory measures.

The Statutory Measures provide for levy of taxes/ fees, regulations through directions from the minister. The directions may be issued regarding export control (Sec 16), pooling (17), record and returns of agricultural products marketing (Sec 18), registration of producers, traders, processors etc. (Sec 19). Similarly, the Minister may issue order for prohibiting imports and exports of agricultural products (Sec 22), provided that the order does not adversely affect food security, employment opportunities and fair labor practices.

A directly affected group or provincial government may request the Minister to establish, continue, amend or repeal a statutory measure, who shall send the request to the Council for consideration. The Council is enjoined to publish the proposal in official gazette as well in the media, inviting the affected groups to lodge their objections and, after due deliberation, send its recommendations to the Minister who may establish, continue, amend or repeal a statutory measure. A strong implementation regime is provided with deterring penalties including imprisonment of 2-5 years and fine.

Thus, the South African Act provides for a balanced system, providing substantial freedom and reasonable regulation in agricultural products marketing. The Act has enumerated the objectives of law and allowed regulations only within the framework of the objectives, ensuring that the regulatory system is transparent and consultative in its operations, and providing for strict enforcement of regulatory framework.

A few other federal laws: Perishable Commodities Export Control Act, 1983, and Agricultural Produce Agents Act, 1992 also regulate some aspects of agricultural

marketing. The Perishable Commodities Export Control Act provides for the control of perishable products intended for export from South Africa and for the continued existence of a statutory board to bring about the orderly and efficient export of perishable products from the country. The Perishable Products Export Control Board is responsible for the enforcement of the Act.

The Agricultural Produce Agents Act, 1992 provides for the establishment of an Agricultural Produce Agents Council (AAC) and fidelity funds in respect to agricultural produce agents and for the control of certain activities of agricultural produce agents. This Act has not been brought into operation in its entirety but will eventually replace the Commission for Fresh Produce Markets Act, 1970 and the Agricultural Produce Agency Sales Act, 1975

### **2.1.5. India**

The Indian agriculture produce markets, like other markets, were under the control of local bodies (municipalities) prior to the introduction of special laws for agriculture produce markets in 1939 in Punjab. Similar special laws were also introduced in other provinces as well. Therefore, at the time of Independence in 1947, India and Pakistan inherited these laws in their respective states and provinces. The 1939 Act provided for a strict marketing regime under the control of Provincial Government exercised through handpicked market committees.

Tamil Nadu was the first state in India which brought substantial reforms in the agricultural produce marketing system and enacted a modern law in 1987 to implement these reforms, which included provision for private markets, direct marketing and contract farming. This initiative became the vanguard of reforms in India and during the past 23 years no state in India has brought about more reforms than Tamil Nadu.

After the sea change brought about by the WTO regime in the 1990s, it became evident that no system will be able to cope with the dynamics of the new trading order without making substantial changes in their legal and institutional frameworks, which would not be possible without major amendments in the relevant laws. As a result, many countries started reform initiatives to make their trading systems compatible with the rapidly changing matrix of the international trade.

India could not afford to lag behind in this race for modernization. The Union Government took the task in their hands and appointed a high level committee to suggest a model agricultural produce marketing law for adoption by the several states. The model law is more or less based on the Tamil Nadu model, incorporating changes to provide for direct marketing, private markets, banning commission agents and safeguards regarding the contract farming.

The response to reform initiative has been encouraging. Out of 25 states having special agricultural produce laws, 16 states have adopted major reforms. These are Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim and Tripura.

Partial reforms have been introduced in Chandigarh and Punjab by incorporating provisions for contract farming and private markets, while Haryana has opted only for contract farming.

Jammu & Kashmir, Meghalaya, Mizoram, Uttarakhand, Uttar Pradesh West Bengal have initiated administrative action for reforms.

Three states i.e. Bihar, Kerala and Manipur and four Union Territories are working on the Australian pattern and do not have a special agricultural produce market Acts, thereby relying on the general law of markets and marketing.

As in case of other federal systems, there are a number of central laws in India which have significant effect on the agricultural produce marketing. These include

- Grading and Marking Act, 1937.
- Export (Quality Control & Regulation) Act, 1963.
- Prevention of Black Marketing & Maintenance of Supplies of Essential Commodities Act, 1980
- The Consumer Protection Act, 1986.
- The Jute Packing (Compulsory Use) Act, 1987.
- Protection of Plant Variety & Farmers' Rights, Act, 2001.
- Food Safety & Standards Act, 2006.
- The Warehouses (Development & Regulation) Act, 2007.

## **2.2. Core Values/Good Agricultural Produce Marketing Practices**

*1. Rule of law- Role of law:* The most outstanding feature of the today's world is the rule of law. Thus, the legal framework becomes the basic role designer in every society, and most of the vices of a system are attributed also to the legal framework; conversely the search for virtues too revolves around it. Therefore, it becomes clear that in order to bring reforms in the agricultural produce marketing, the process must essentially start with legal reforms.

*2. Compatibility:* The agricultural marketing designs studied here are all set in the appropriate constitutional framework compatible with the legal system. Therefore, the search for solutions has to be system based; otherwise serious compatibility problems may arise subsequently.

*3. Uniformity and diversity:* Most of the successful models presented a good combination of uniformity and diversity—through federal laws providing uniformity in national matters such as those connected with international or inter- provincial trade (grading, marking) and state/ provincial laws catering to diversity according to local needs. The countries thus selected for studying their agricultural produce marketing, have federal systems of government as against the unitary system of United Kingdom.

4. *Special agricultural produce marketing law*: Except for the Australian, three Indian and a few American states, all countries, big and small, which have been reviewed, do not rely on their general marketing law. Australian experience is an apt example of unfounded optimism about the success of the general law in special categories.

5. *Liberal trading regime*: Starting from United States, going through the growing economies like South Africa and India and even in some very backward/poor countries such as Tanzania or Zimbabwe all have moved out of the heavily regulated systems and have liberalized their marketing regimes. A few exceptions are Pakistan, Bangladesh and to some extent a few Indian states, which are reluctant to adopt the Model Indian Act.

6. *Open Competition*: Free and open competition, the hallmark of western and many developing economies of the world, is fully visible in today's agricultural produce marketing. US Federal laws do not allow restrictions over free marketing. The California Food and Agriculture Code further supplements this good business practice in California, enjoining that any contract in restraint of trade shall be void. Similarly, the South African Act (supra) and the Indian Model Agricultural Produce Marketing Act, which has been adopted by about 60% of the states, ensure free competition.

7. *Private sector involvement*: Through liberal and non monopolistic marketing regime, the private sector gets the lion's share in the agricultural produce marketing and helps in the expansion and development of the marketing, particularly in alternative marketing and value chains. The US, South African and Australian laws implicitly, while Indian Model Law expressly, cater to the participation of the private sector.

8. *Limited and modified Government role*: The government's role in agricultural produce marketing is essentially limited to governance through well defined regulatory framework in the four countries under study, though some Indian states have not done so.

9. *Emphasis on standardization, health and environment*: The governments now play a very important role in quality control through grading, packing and marking standards, environment protection and promotion of agricultural marketing.

10. *Participation of stake holders*: The stakeholders are playing important roles in the agricultural marketing regime. The US legal framework provides for participation of the stakeholders at different levels. The National Agricultural Marketing Council of South Africa consists of stakeholders, and the directly affected groups who have the right to participate in statutory measures. The Agricultural Produce Marketing Boards and the Market Committees have ample participation of the stake holders.

11. *Diversification of marketing and alternative marketing channels*: Markets have an important role in agricultural produce marketing, yet their contribution in well developed systems is not dominant. Most of the produce is marketed through diversified alternative channels such as value chains including processing and packing, direct marketing, etc.

12. *Farmer friendly marketing regime*: Although free competition is the accepted rule, there is an important exception in favor of the farmers in all the systems under study. A farmer can sell directly to the dealers, processors, retailers or consumers without any formal authorization. Similarly, he is exempt from the grading, packing and marking requirements in direct sale.

*13. Reliable market information system:* The market information leads to fair deals in marketing; therefore, modern systems cater to it. The FAO believes that public sector involvement is necessary because the traders have no incentive to provide market information on their own. Thus, in California the Agriculture Department (Director) is responsible for providing impartial information to the market participants. Similarly, public sector also caters for agricultural marketing information in South Africa and India.

*14. Alternative dispute resolution (ADR).* Disputes are inevitable in trading- their settlement a necessity. The traditional dispute resolution through the courts is often not feasible in business disputes, because the litigation process involves a great amount of time and money. Therefore, to facilitate the market participants, alternative dispute resolution is provided or promoted by the public sector in the systems studied. In California as well as in India a state officer performs this duty.

*15. Miscellaneous:* There are other important good practices in agricultural produce marketing, though not widely accepted they have relevance for the policy makers. They are enumerated here:

- Training of stakeholders.
- Transparency in framing rules/regulations.
- Collective marketing / Farmers cooperatives.
- Consumer protection.
- Self regulation.
- Democratic marketing system.
- Comprehensive records & returns.

### **2.3. Good Practices in Legislation**

The best international practices approach is also very useful in the process of drafting the law. The FAO has advised that drafting the reform law involves the study of the possible role that the law can play in marketing. Three important roles have been identified for this purpose, which are:

- Specify the outcome and override the business decisions. This is the most prescriptive role which not only hinders marketing but also has adverse effects on cost of enforcement and that of compliance. Therefore, such a role has to be limited to the most critical issues such as environment, health, sanitary/ phyto sanitary measures, standard of infrastructure, grading, packing, marking, storage, etc.
- Establish market structure and let the market develop its own priorities. This is the most liberal and cost effective role with relation to enforcement and compliance.
- The role that regulates the conduct of market participants and modifies the business decisions lies in between these two extremes.

All these roles are necessary and proper for a reform law, yet a good law will use them with due care and caution.

The FAO publication further brings out that the legal framework has fundamental affect on working of markets; law as a tool for development is not simple and is seriously influenced by socio economic context particularly institutional framework and legal culture; and that lesser volume of rules does not necessarily improve the market efficiency.

The best approach recommended by FAO is to reduce prescriptive role of state to enabling role, efficient private sector involvement and to prevent manipulation by the private sector.



## 3. AGRICULTURAL PRODUCE MARKETING IN PAKISTAN

### 3.1. History

Upon independence (1947), the provinces that became part of Pakistan inherited the then existing agricultural produce marketing legal framework. However at time of creation of One Unit- by merging the provinces of Baluchistan, N.W.F.P, Punjab and Sindh into one province called West Pakistan- the Punjab Agricultural Produce Markets Act, 1939, was adopted as West Pakistan Agricultural Produce Markets Act for the newly created province. After 15 years, when the Province of West Pakistan was dissolved, each province adopted the West Pakistan Agricultural Produce Markets Act as a provincial law.

At the national level, the Constitution of Pakistan provides guarantee for the protection of fundamental rights, including the freedom of trade, business and profession, freedom of association, equality and the right to be treated in accordance with law. These are very important aspects to be kept in mind while drafting the new law.

The legislative competence of the Federation and Provinces under the Constitution (Art 142, 143 and Fourth Schedule/ Legislative Lists) has important implications for determining the legislative domain over agricultural produce marketing. Generally, agricultural produce marketing falls under the provincial domain, except that the Parliament can indirectly legislate on it under export and import laws including safety and quality standards.

The Grading and Marking Act, 1937 (Federal) deals with grading and marking of agricultural produce in (a) intra provincial trade and (b) international (export) and inter provincial trade. In case of the former category the Provincial Government is empowered to frame rules for grading and marking while in the latter category, the Federal Government can make such rules under this Act. Thus, it excludes the intervention of any provincial laws.

The Price Control and Prevention of Hoarding and Profiteering Act, 1977, allows the Federal Government to issue orders to provide for regulating the price, supply distribution, disposal and storage of a large number of commodities (listed in the schedule) but only a few agricultural produce items are covered under it.

The Plant Quarantine Act, 1976, a federal statute, caters to the quarantining of plants in International and inter-provincial trade.

## **3.2. Punjab**

### **3.2.1. Agricultural Produce Marketing Ordinance, 1978.**

Some confusion was created by the Punjab Local Government Act 1975, which placed agricultural produce markets under local government responsibilities, without repealing the prevalent law. Consequently, the local bodies could not play any meaningful role. Moreover, the dissolution of local bodies by martial law regime in 1977, created a huge vacuum in the system necessitating remedial action by the regime. Accordingly, the Punjab Agricultural Produce Markets Ordinance, 1978, was promulgated, which in fact, re-enacted almost all the main provisions of 1939 Act. Though a few changes were made at the time of revival of constitution and democratic government in 1985, the overall scheme and its prescriptive regime remained intact and continued to infect the system with huge distortions.

#### **3.2.1.1. Features**

The 1978 Ordinance provides for a strict marketing regime under the control of the Provincial Government exercised through market committees. The salient features of 1978 Ordinance are:

- Declaration of notified area and produce to be placed under the control therein.
- Prohibition of marketing or setting up of markets / business places or working as dealers / market functionaries except under the provisions of the Act.
- Requirement of license from the market committee for dealers, commission agents and other market functionaries.
- Jurisdiction of the market committee over the entire market area (much beyond market premises)
- Market fee charged on all transactions taking place anywhere in the notified area.
- Processors, such as sugar factories, were also required to pay market fee for the purchase of agricultural produce.
- The Market Committee enacts its by-laws with the approval of the Government.
- The Government exercises a very strong control over the market committees.

#### **3.2.1.2. Weaknesses of the system**

- Virtual absence of private sector in the establishment, operation and management of markets due to exclusive public sector control of marketing in notified wholesale markets.
- As the market committee is created through a political process, there is an inherent lack of accountability in the system, and no proper regulation of the markets. This is evidenced by the absence of appropriate standards such as for health and hygiene, grading, optimal space utilization
- There is no quality control exercised with relation to food safety, grading, packing and labeling

- There is a monopoly exercised by the marketing committee over marketing of agriculture produce through licensing system
- Marketing is done through a limited number of dealers who are licensed by the market committee, restricting the growers' choice and creating price distortions
- Fees charged by the market committee have no nexus with the services provided in the market with the result that fees are collected without providing commensurate services
- As there is no provision for alternative marketing channels such as farmers markets, consumer markets, direct marketing, contract farming, etc., there is no scope for the development of value chain systems
- Owing to a limited number of dealers in the market, the scope for trading is extremely limited which results in serious price distortions
- Because of the monopolistic regime, the trading is controlled by a limited number of commission agents who finance the growers and manipulate the system

### **3.2.1.3. Impact**

- The system is supply driven which means the grower sells what he produces but is not given incentives to produce what is demanded in the market. This seriously impacts the quality of agriculture produce grown by the farmers
- The existing marketing regime creates inefficiencies in the markets as well as in the marketing system as a whole
- The system leads to malpractices by the dealers and people working in the market committees
- The monopolistic regime excludes the role of the private sector to invest in the development of markets and value chain system
- There is a high level of profit margin with the result that both growers and consumers pay for the inefficiencies and malpractices of the middleman including market committee staff, dealers and other market functionaries. The median wholesale markup, including commissions, is estimated to be more than 18 per cent of the value of the produce. The inefficiencies in the marketing system are further passed on to consumers resulting in prices being inflated from 30 per cent to 50 per cent
- Current distortions and disincentives are so pronounced that the system which has the potential of generating US\$ 2 billion in revenue is not being fully realized and is losing approximately US\$ 500 million per annum

### **3.2.2. Other Laws**

There are a number of other laws which relate to agricultural produce marketing but have been enacted with different objectives.

The Food Stuff (Control) Act, 1958 deals with the movement, sale, purchase, storage and price control of specified commodities such as wheat, rice, sugar etc. The purpose of this law is to ensure food security in special circumstances. An order issued Food Stuff (Control) Act, prohibits Future and Options contracts with relation to trading on grains

products, cotton, seed oil and other oil seeds. In order to allow future and option contracts in all agricultural produce marketing some interfacing exercise will be necessary while drafting the proposed law.

The Punjab Pure Food Ordinance, 1960 and the Cantonment Pure Food Act, 1966 (Federal) deal with the quality of food products but not that of the primary produce e.g. fresh fruits and vegetables.

Special commodity laws which deal with specified agricultural produce such as cotton, sugar cane tea, and tobacco etc. listed below are special laws and will have an overriding effect on agricultural produce marketing laws.

The Local Government laws place the markets under the jurisdiction of Local Government, but with agricultural produce markets being special markets, the agricultural produce marketing law shall prevail over the Local Government laws.

Punjab Consumer Protection Act, 2005 does not apply to the agricultural produce; therefore, such disputes, if not covered under the proposed law, will by default come under the purview of the ordinary civil courts. Therefore, in order to avoid the lengthy and cumbersome process of litigation, some alternative dispute resolution mechanism should be provided in the proposed law.

### **3.2.3. Future of agricultural produce marketing**

The Government of Punjab is seriously concerned about the adverse effects of the 1978 Ordinance on the growth of agricultural produce markets, food safety, and quality of the produce. The Government is quite aware of the immense negative impact of this archaic piece of legislation and of the need for enactment of a reformed law compatible with the needs of 21<sup>st</sup> century.

## **3.3. Sindh**

The Province of Sindh, more or less, follows a similar course of legal history. The 1939 Act remained intact, with some amendments, till June 2010, when the Sindh Assembly passed a new law i.e. Sindh Wholesale Agricultural Markets (Development & Regularization) Act, 2010. This enactment is an indication of change in the colonial mindset by abolishing the concept of Notified Area and Market Committees and allowing direct marketing as well as private markets. It further provides for converting the existing public markets into registered companies through a transition process. The proposed law, in its present shape, is a mixture of positive and negative features. Its strengths and weaknesses are highlighted in the following paragraphs.

### **3.3.1. Positive features**

- There is a no apparent prohibition on the marketing of AP anywhere in the province, though the exemptions to direct sale by the grower or the purchase by the consumer may suggest otherwise, particularly when the 1939 Act will remain enforced for at least three years after the promulgation of the proposed law.

- The licensing system has been replaced by the time bound registration of the Market Companies.
- Private sector has been allowed to enter the agricultural produce business. This will certainly provide competition, which is essential for the growth and development of the system. The farmers and consumers are likely to be the beneficiaries, while the middlemen will harvest the fruits of their efficiency in providing services.
- The Government, or any of its subsidiaries, is not allowed to open new markets, thus limiting the role of the Government to the existing Notified Markets and providing sufficient space for the private sector to play its all important role.
- The public sector Market Companies cannot conduct any business other the marketing of agricultural produce. This will provide a ceiling for the state intervention in this sector.
- The scope of business of the private Market Companies is not limited to the marketing of agricultural produce, which will allow the large scale super markets to include the agricultural marketing in their business.
- The proposed law enjoins the provincial government to establish an online information service for agricultural marketing within a period of six months. As market information plays a very critical role in marketing, such a facility will bring a lot of advantage to the system.
- The Government, as usual, is empowered to frame rules to clothe the statute, i.e. to make detailed provisions to complete the scheme of the enactment, but quite generously the Bill provides for prior publication, soliciting objections and possible modification of the proposed rules.( The General Clauses Act provisions will apply)
- The BOD comprises elected members from specified categories, i.e. agriculturists, allottees etc.

### **3.3.2. Weaknesses**

- The Market Committees are to be converted into Market Companies, but it is not clear how these government-owned /controlled Market Companies will be governed by the Companies Ordinance, 1984, unless they are privatized. Another option is to provide the umbrella of the provincial legislation, using the dispensation provided by the constitution for such entities (Entry 31 of the Federal Legislative List).
- The proposed bill provides for a skeleton law, leaving much to the Delegated / Subordinate Legislation at numerous places, and while this may provide much flexibility in the implementation of reforms, some major policy issues, particularly, the regulatory framework, will remain uncertain, as a clear policy road map is not available. In particular, the private sector will be reluctant to come forward to make huge investments in environment of uncertainty and mistrust. Perhaps, some more details are necessary.

- The supportive role of the Government is not well catered to. It should be obligatory for the Government to cater to certain essentials, such as policy, standardization, health and environment protection, etc. The Bill places all such matters at the discretion of the Government, and that too in the rule making provision only. This aspect needs reconsideration.
- Section 7 of the Act provides that the Board of Director shall consist of 7 directors (three agriculturists, three allottees, one government nominee ) having 7 years of experience and that the Chief Executive Officer (CEO) shall be elected by the directors (7) and shall have at least 7 years of experience. The provisions of the section are somewhat confusing; firstly, it provides that the Directors shall be elected from amongst the above mentioned agriculturists and allottees, though they are not the shareholders of the company as all the shares will be held by the Government; secondly, the word “agriculturist” has not been defined anywhere in the Bill- instead the word grower has been defined which includes such growers as well who are working as dealers in the market. Thus, the people already working in the market are likely to dominate. Moreover, the retailers who are the main clients/customers of wholesale markets have not been given representation on the Board of Directors.
- The Bill provides for a heavy establishment of the Market Companies: a Chairman of the BOD, a Chief Executive Officer, a Chief Financial Officer, a Secretary, etc. Additionally, the existing employees of the Market Committees will be transferred to the Market Companies of the Notified Markets. This requires careful consideration because firstly, this arrangement will create a heavy burden on Market Committees, particularly those of the smaller markets; secondly, while it is politically desirable to retain the existing staff, it may not be institutionally feasible to carry this baggage and continue with the existing culture of markets. Accordingly, it is necessary to look for alternatives which provide for balancing of the interests. One alternative may be that the Board of Directors of each Notified Market Company shall retain the necessary staff as per their requirements and available resources and the remaining staff is adjusted in the Provincial Government.
- The Bill provides that the Notified Market Companies shall be financially self sustainable but does not cater to matters of income generation/fees. Thus, these Companies will either resort to illegal fees collection or will go bankrupt, with a strong possibility of going for the first option, though the other option is equally undesirable.

It is necessary that this lose-lose situation is averted—this may be through maintenance/service charges to the dealers or provision of reasonable amount of registration fee from the market functionaries or market fee charged to the traders for using the services / facilities

- The mandatory provisions of auction for both public and private market companies will disturb the entire scheme of reforms because the auction provision will compel the dealers to trade exclusively in the marketplace / mandi, closing all other options

of trading. The private sector, in particular, will be adversely affected by this provision.

- The repealing provision (Sec 21) is quite unusual in its scheme as it provides that the existing law (1939 Act) will stand repealed after three years of the promulgation of the proposed Act. It further provides that the Government may exercise its powers under the 1939 Act to ensure that the statutory functions are performed by the Notified Markets until these are transferred to the Market Companies. It appears that there is a sophisticated and flexible scheme of transition, but there is a substantial element of uncertainty about the operation of the old law beyond three years. Therefore, it is important to restrict the operation of old law to a specified future date even if it is beyond three years.

### **3.3.3. Suggested Course of Action**

In summary, the Bill envisages a unique and ambitious scheme of reforms in the agricultural marketing in the province. Based on the above assessment, some changes were suggested to the Provincial Government, but these could not get much attention due to speedy passage of the Bill by the Provincial Assembly. These suggestions, enumerated below, will remain useful at the later stage, i.e. the implementation of the law by framing the rules.

- Withdraw the notifications of the existing Notified Areas / Agricultural Produce.
- Dissolve all the existing Market Committees and provide for a Management Committee separately for each Notified Market.
- Restrict the authority, including the authority to levy and collect fees, of these Committees to the respective existing Notified Markets/Mandies.
- Encourage / induce / facilitate the private sector to come forward and play its due role in this sector.
- Cater to an autonomous professional entity (Board/Authority/Commission) to oversee the reforms process. Such provision is found in most of developed/developing agricultural economies, e.g. Malaysia, India, South Africa, etc.
- Provide for a schedule of transition and spell out the number or percentage of Notified Markets to be converted into Market Companies each year, over a period of 3 – 5 years, thereby sending a positive message to the stakeholders about the seriousness of the reforms agenda.

A number of specific amendments were incorporated in the proposed law on the request of the Sindh Agriculture Department, which are stated in Appendix C.

### **3.3.4. Subordinate Legislation – Parameters**

#### **3.3.4.1. Rules**

1. Sindh Wholesale Agricultural Produce Markets (Transfer of Notified Markets) Rules
2. Sindh Wholesale Agricultural Produce Markets (Auction ) Rules
3. Sindh Wholesale Agricultural Produce Markets (Establishment of Private Markets) Rules
4. Sindh Wholesale Agricultural Produce Markets (Management of Notified Markets) Rules
5. Sindh Wholesale Agricultural Produce Markets (Registration) Rules
6. Sindh Wholesale Agricultural Produce Markets (Pension, Gratuity etc. of Markets Committees Employees') Rules
7. Sindh Wholesale Agricultural Produce Markets (Infrastructure Standards and Equipment) Rules
8. Sindh Wholesale Agricultural Produce Markets (Processing Standards and Equipment) Rules
9. Sindh Wholesale Agricultural Produce Markets (Consumer Grievances) Rules
10. Sindh Wholesale Agricultural Produce Markets (Financial) Rules

#### **3.3.4.2. Notifications**

1. Notifications – Dates of Dissolution of Market Committees
2. Notifications – Rate of Market Information Fees
3. Notifications – Qualifications of Directors of Notified Markets

### **3.4. Baluchistan and K.P.K. Provinces**

The Baluchistan province amended its law in 1991 by enacting the Baluchistan Agricultural Produce Markets Act 1991, apparently not for the purpose of bringing any substantial change into the system but only to reassert its authority.

The KPK (NWFP) province followed a checkered course: the Agricultural Produce Markets Act 1939 was repealed in 2003 with the aim of bringing the subject under the purview of local governments, only to repeal the repealing law in 2005 and reviving the 1939 Act; this was followed by replacing it yet again with the NWFP Agricultural & Livestock Produce Markets Act, 2007.



### 3.5. Comparison of Existing and Various Proposed Laws of Sindh, Punjab and India

**Table 1: Comparison of Existing and Various Proposed Laws of Sindh, Punjab and India**

	Salient Features	1939	1978	2007	2009	2010 (Sindh)	Model Indian Law
1	Agricultural Produce	Specified & Notified Produce	Specified & Notified Produce	Produce, Product or byproduct (agricultural, apicultural, sericulture, horticultural, floricultural, forestry, live stock, fishery, poultry)	Produce, Product or byproduct (agricultural, apicultural, sericulture, horticultural, fishery, floricultural, forestry, live stock poultry)  Notified Produce	Produce, Product or byproduct for human consumption (agricultural, apicultural, sericulture, horticultural, , fishery, floricultural, forestry, live stock poultry. & Notified Produce	Produce specified in Schedule & Notified Produce
2	Regime	Notification of intention- (Produce/Area)  Objections  Declaration  Prohibition of (a)Mkt. (b)Trade License by D.C.  Exemptions (a)Growers' sale (b) Private use purchase	Notification of intention (Produce/Area)  Objections  Declaration  Prohibition without License by MC for (a)Mkt. (b)Trade  Exemptions (a)Grower's sale (b)Domestic purchases	Existing MC dissolved  Anyone may establish market with Board(APMB) approval  No prohibition on marketing	As in 1978 Ordinance, & Market prohibited except with Government approval  Notification of Mkt. in N. Area	Existing MC to be Notified  Markets  Private  Markets may be established  Open auction  Grower exempted  Retailer exempted	Notification of intention  Objections  Declaration  Private markets  M. Yard notified MC for entire area Prohibition of market/ M.F  Petty trading exempted

**Table 1: Comparison of Existing and Various Proposed Laws of Sindh, Punjab and India**

	Salient Features	1939	1978	2007	2009	2010 (Sindh)	Model Indian Law
3	License/Registration	License by designated officer	License by MC for Dealers & MF	License by MC for Dealers and MF	License by MC If there is no MC - EAC	Registration by Govt.	MF: no license (Registration by MC)  License - Director for markets & direct purchase (export, processing, value addition)
4	Appeal	Appeal to AC Revision to Collector (Rules)	License Cancelled  Appeal—EAC  Other appeals: MC – DO(R) Revision - EDOR	Refusal/cancellation  Appeal—Board	Appeal to EAC	No appeal	CEO--MC MC-. Dir. Dir.-- Govt.
5	Market Committee constitution	9 or 16 members (not elected)	10/17 members By Zilla Council	Appointed by Board	MC—17 members 03-ex-officio, 07-elected by peers, 05-Zilla Council  Nominees	Board of Directors (7) Elected by MF/farmers.)	MC 17(elected)
6	Tenure of MC	3 Years	3 years	Not mentioned	3 years + 1 year extension	Not mentioned	5 years
7	Duties/Powers of MC	Enforcement of Act/Rules  License to MF  Establish Mkt. on Govt. direction./	Enforcement of Act/Rules  Licensing  Establish Mkt (Govt. direction)/ Facilities/regulation	Manage, develop & regulate markets.	Enforcement of Act/Rules  Market facilities  Mkt. regulation  Disputes  Record Inspection	As provided by Memorandum/ Articles	As in 2009 and many more (very powerful)
8	Market Fees	MC	MC (% to Govt).	MC (% to Board)	MC (rate Govt.)  Appeal – EAD	Not mentioned	CEO Appeal to MC

**Table 1: Comparison of Existing and Various Proposed Laws of Sindh, Punjab and India**

	Salient Features	1939	1978	2007	2009	2010 (Sindh)	Model Indian Law
					(% to Board)		Revision – Govt. Officer
9	Disputes	No	Arbitration Board by MC	Arbitration Board by PAPMB	MC to appoint arbitrators or sub-committee	As per rules framed by the Govt.	Between:  buyers/ seller –as provided by rules  Pvt. mkt./ MC by Director
10	Provincial APM Board	NO	NO	YES (very powerful)	YES (Mkt. Fund Board)	NO Board	YES
11	Common Fund	NO	YES	YES	NO	NO	YES
12	Powers of Govt.	Supersession  Take over of MC  Appointment of Administrator  New Committee	Annulment of proceedings  Suspension of resolution  Supersession of MC  Dissolution of MC at General Elections  Take over of MC	Powers of Govt. under 1978 law available to Board	Annulment of proceedings  Suspension of resolution  Supersession of MC Dissolution of MC (General Elections) Inquiry Report Inspection etc Take over of MC	Regulation ( through Rules)	Control, inspection, inquiry & directions.  Members' removal  Supersession of MC & Board Revision powers
13	Training	NO	Training institution (Govt.)	Training – Board	NO	NO	NO
14	Subordinate legislation	Rules – Govt. Bye laws – MC	Rules – Govt. Bye laws – MC	Rules – Govt. Regulations– Board Bye laws – MC	Rules-no mention Bye laws – MC	Rules – Govt. Bye laws - No mention	Rules –Govt. Regulations-- Board Bye laws -- MC

## 4. PROPOSED LAW OF PUNJAB

### 4.1. Options

Retaining the existing law (Punjab Agricultural Produce Markets Ordinance, 1978) and making amendments to provide for the reforms are not feasible options. This is because the intended reforms require massive changes including changing the scheme of law, which cannot be attained by amending the law. Amendments are useful for renovation only and not for making structural changes in the system, which is the necessary to bring in the proposed reforms.

Repealing the existing law without replacing it with a new law has many undesirable consequences. Firstly, it will place the agricultural produce markets under the domain of the Local Government, an experiment which was unsuccessful in Punjab in 1975 and in KPK (former NWFP) in 2003. Secondly, this option will only cater to the markets, thus excluding the reforms in other marketing activities. Thirdly, some provision will still be needed to empower the Local Governments to fully under take the much needed reforms. Lastly, the role of Local Government in the future set up is not quite clear.

Repealing the existing law and replacing it with a new enactment fully incorporating the reforms envisaged in the proposed policy- this option is the only or the most feasible one in the present scenario, because this will enable the Government to bring in the reforms necessary to make the agricultural produce marketing compatible with the needs of the 21st century global marketing.

### 4.2. Contents of the Law

The proposed law has been framed under the influence of the good practices in agricultural produce marketing at international level. Some of these practices, found commonly in all the successful systems, were picked up for adoption without any hesitation; while in case of others, a pragmatic approach was adopted to select something compatible in our socio economic context.

Thus, for example, a clear consensus was visible in participation of private sector, increasing access to market, reducing the role of government in regulating the hardcore trading while increasing it in effectively regulating larger and more important issues of standardization, grading, packing, marking, health and hygiene, environment protection, export promotion, protection to farmers' interests, reducing the role of middle man through direct marketing such as farmer markets, consumer markets and value chains measures. All these practices, placed under the rubric of best international practices, were adopted with abundant ease and confidence.

The enlistment of various participants of the market presented a mixed scenario. USA/California has a comprehensive system of licensing, registration and other instruments; Malaysia provides for a broad licensing regime; South Africa has adopted registration, while the Indian model has recommended a mixture of these two methods.

The time bound registration has been suggested because of its efficiency and related virtues. The subordinate legislation, common in all common law countries to provide convenience and flexibility, found no difficulty in being accepted.

The Alternative Dispute Resolution model, with a Tribunal at the apex, is based on general trend of Alternative Dispute Resolution as well as the local experience, to avoid time consuming and cumbersome litigation in courts by providing an alternative special forum.

Title and preamble have been designed to lucidly describe the intent and content of the law. This façade approach, based on the California, South Africa and Philippines models, has been adopted not only to present the bright side of the law, but also to help understand, interpret and apply the law in its true spirit.

The Definitions Clause has been a simple matter; almost all the definitions of the old law - except substituting “grower” with the commonly used “farmer”----have been retained so as to avoid creating possible confusion by using new terminology.

In some cases where clear commonality was absent, a careful pick and choose approach was adopted. For example, there is plenty of variation in the type of public entity to promote and regulate the marketing system. There are small level commissions in California to deal with individual commodities. Malaysia provides a high level and powerful governmental body, Federal Agricultural Marketing Authority, having full control over the system; South Africa has an advisory forum, the Federal Agricultural Marketing Council, comprising real stakeholders selected through a transparent consultative process; the Indian model has suggested the State Agricultural Produce Marketing Board of stakeholders to monitor and regulate the agricultural produce in the states. The Indian model has been preferred because India and Pakistan have many things in common, including legal history, legal system, socio economic conditions, institutional framework and system of government (federal – parliamentary system).

The transformation and management of the existing public markets under the new system presented a real difficult situation, because of its huge political and financial implications. Being a situation specific issue, no straight jacket formula is available. Accordingly, a dual approach has been contrived for this special problem. The basic principles for the management of public markets, under the new scheme, have been laid down in the Act, and the creation of the management system has been left to the government to prescribe it by rules developed through its institutional experience and wisdom.

#### **4.3. Salient Features of the Proposed Law**

**Title:** The Punjab Agricultural Produce Marketing (Development and Modernization) Act, 2010

**Philosophy:** Unlike the previous law which was based on the colonial mindset, the proposed law is influenced by the international political and business environment. The post second world war trade liberalization movement culminating in WTO agreement and associated agreements have brought a sea of change in the international trade market and put huge pressure on the production and marketing system of goods and

commodities. Consequently the domestic trading regimes have undergone necessary changes to adjust to the new trading order.

**Preamble:** The philosophy of the proposed law, explained above, is reflected in broad and descriptive preamble highlighting the purpose of the law.

**Freedom of Marketing:** The freedom of marketing is expressly stated and prominently placed in the first operative section of the law declaring that any person can undertake the marketing of agricultural produce in the province.

**Enabling Environment:** The proposed Act ensures enabling marketing environment by withdrawing the notifications relating to control over market area and marketing of agricultural produce therein

**Diversification of Marketing:** The law provides for various types of markets including farmer markets, consumer markets, collection points (assembly markets), private markets, public markets, super stores etc.

**Alternative Marketing Channels:** The marketing of agricultural produce is not restricted to markets only but alternative channels such as direct marketing and value chains are allowed under the new law.

**Participation of Private Sector:** The private sector is enabled to fully participate in the marketing of agricultural produce through different types of markets and marketing channels.

**Monopoly Abolished:** The monopolistic regime under the old law has been altogether abolished. The new law caters to free competition. The competitive neutrality has been maintained by placing the public markets under the same conditions required for the private markets.

**Liberal Regime:** The absolute controlling regime is replaced by a liberal and mild regulatory regime. There is a specific provision allowing futures, options and contract farming agreements

**Registration:** The licensing system under the old law has been abolished. Time bound registration is required for some markets and marketing activities. Registration is not required for farmer markets, consumer markets, collection points, retail outlets, and direct sale/purchase.

**Appeal:** The right to appeal is available to the aggrieved person against the refusal, suspension or cancelation of registration.

**Autonomous Board:** A new institution, Punjab Agricultural Produce Marketing Board, has been introduced. The Board will comprise system level stakeholders and will have substantial autonomy to perform its duties which are advisory, regulatory, supportive and supervisory with relation to the agricultural produce marketing.

**Reduced Government Role:** The role of the Government is restricted to governance issues and transformation of existing markets.

**Alternative Dispute Resolution:** The ADR system is available under the new law to replace the lengthy and traditional litigation in the courts.

**Enforcement:** The enforcement provisions are mild in punishments but provide effective deterrence through heavy fines.

**Subordinate Legislation:** A three tier subordinate legislation is provided to provide requisite flexibility in the legal framework through rules, regulations and by-laws.

**Independent Tribunal:** A tribunal comprising a retired judge of High Court is provided as an apex appellate authority in registration matters.

**Transition:** An elaborate process meant to ensure smooth transition is provided as under:-

- A three year transition period is fixed for transformation of existing markets according to the requirements of the new law.
- The Government is enjoined to take measures for transforming the existing markets into financially self sustainable, autonomous and corporate entities under the new law.
- The existing Market Committee employees will continue their employment and will be deemed to be employees of the Government for the transition period.
- The existing dealers and market functionaries having valid licenses under the old law shall continue to carry out their functions; their licenses will be converted to registration for the remaining period of the licenses.

**Removal of difficulties:** The removal of difficulty clause is available to cater to unforeseen eventualities cropping up in the application of law.

#### 4.4. Comparison of Existing and Proposed Law:

Table 2: Comparison of Existing and Proposed Law	
Existing	Proposed
Punjab Agricultural Produce Markets Ordinance, 1978.	The Punjab Agricultural Produce Marketing (Development & Modernization) Act, 2010.
Enacted under colonial influence	Enacted under WTO influence
Governance oriented	Business oriented
Controlling regime	Liberal regime
Monopoly of Market Committee	Free competition
Insignificant participation of private sector	Meaningful participation of private sector

Single channel marketing	Multichannel marketing
Traditional markets	Alternative/diversified markets
Futures, Options & Contract Farming absent.	Futures, Options & Contract Farming
Government controlled	Market controlled
Indirect marketing (through markets)	Direct and indirect marketing
Supply driven system	Demand driven system
Traditional dispute resolution	Alternative dispute resolution
Licensing	Registration (time bound)
Superintendence of Government	Superintendence of professional Board
Excessive role of middleman	Reduced role of middleman
Control of Market Committee over entire notified area	No control of Market Management beyond market premises.
Fees for all transactions within notified area	Fees for transactions in market
Information blackout	Market information system
Discouraging grading / packing	Encouraging grading / packing
No standardization	Promoting standardization
Opacity/translucence in subordinate legislation	Transparency in subordinate legislation
Pervasive rule making	Functional rule making
Obsolete	Modern



## **4.5. Subordinate Legislation – Parameters**

### **4.5.1. Rules**

1. Punjab Agriculture Produce Marketing (Private Markets) Rule
2. Punjab Agriculture Produce Marketing (Management of Public Markets) Rules
3. Punjab Agriculture Produce Marketing (Registration) Rules
4. Punjab Agriculture Produce Marketing (Standards) Rules
5. Punjab Agriculture Produce Marketing (Information Service) Rules
6. Punjab Agriculture Produce Marketing Board (Fund, Accounts and Audit) Rules
7. Punjab Agriculture Produce Marketing (Agreements for Futures, Options and Contract Farming) Rules
8. Punjab Agriculture Produce Marketing (Dispute Resolution) Rules
9. Punjab Agriculture Produce Marketing (Former Employees of Market Committees) Rules
10. Punjab Agriculture Produce Marketing (Tribunal Procedure) Rules
11. Punjab Agriculture Produce Marketing Board (Traveling and Daily Allowance) Rules

### **4.5.2. Regulations**

1. Punjab Agriculture Produce Marketing Board (Conduct of Business) Regulations
2. Punjab Agriculture Produce Marketing Board (Employees' Appointment and Conditions of Service) Regulations
3. Punjab Agriculture Produce Marketing Board (Control of Unfair Marketing Practices) Regulations
4. Punjab Agriculture Produce Marketing Board (Registration) Regulations
5. Punjab Agriculture Produce Marketing Board (Appeal) Regulations

### **4.5.3. By-laws**

1. Punjab Agriculture Produce Marketing – Model By-laws for Public Markets

#### **4.5.4. Notifications**

1. Notification – Date of Commencement of the Act [Sec 1 (2)]
2. Notification – Agriculture Produce covered by the Act [Sec 2 (ii)]
3. Notification – Establishment of Agriculture Produce Marketing Board [Sec 5 (1)]
4. Notification – Establishment of Tribunal [Sec 39]

#### **4.6. Advocacy Strategy (Punjab)**

A well developed advocacy strategy will be needed to streamline the promotion of the reform agenda. A short term consultant should be hired by the Agriculture Department to prepare a strategy and also advise the Department in the implementation process. A detailed plan of action is given in the Matrix (Appendix D)

- Stakeholders mapping
- Presentation to policy makers for discussions and approval
- Media campaign
- Presentation to Cabinet
- Consultation with Law Department for finalizing the Bill
- Presentation to Standing Committee



## 5. APPENDIX

### 5.1. APPENDIX A: Reforms Implementation Matrix

<b>Table 3: Policy Framework</b>			
Policy formulation	Formulation of clear policy on agricultural market development incorporating best international practices and private sector participation	Adoption and implementation of policy by the provincial government	Policy to be submitted by Agriculture Department to the provincial cabinet. This policy to either be derived from, or reflective of, the preamble of the proposed law
Liberalization and deregulation	Deregulating agricultural produce markets	Eliminate notified market areas and produce Eliminate arbitrary system of licensing of Market Functionaries	APM Act to be replaced by modern and liberal legal framework initiated by the Agriculture Department and transmitted via the Law Department
Institutional Development	Developing a sustainable entity to coordinate and oversee the reform process within the province	Establish a steering committee/facilitation bureau or advisory board under the Agriculture Department to oversee the reforms at the provincial level and to coordinate implementation with stakeholders	Summary for constitution and composition of such entity to be initiated by the Agriculture Department and to be approved by the Chief Minister  PC-I To be prepared and gotten approved if necessary
Delegated Legislation	Developing a comprehensive procedural and substantive framework for implementation of the APM Act	Notify relevant Rules and model by-laws for implementing the proposed APM Act e.g. Reporting Rules, Accounts Rules,	In order to notify necessary subordinate legislation to cover procedural and substantive matters, the Provincial

<b>Table 3: Policy Framework</b>			
		Registration Rules, etc.	Agriculture Department to transmit draft Rules and model by-laws to the Law Department
Functional Realignment	Separate policy making and supportive functions from management and administration of markets	Instead of engaging in direct management and administration of markets, the Government shall be capacitated to focus only on formulation and oversight of implementation of the agricultural produce market policy, and to provide facilitation and supporting services for sector development	Defining a clear role for the government to formulate policies and oversee their implementation in the proposed legal framework Inserting substantive provisions in the proposed legal framework to ensure that the business of the government is geared towards the private sector facilitation and promotion of sector development
Standardization	Establishment of standards for quality and safety	Issuance of appropriate standards and specifications to cater to infrastructure, services, sanitary and phytosanitary conditions, produce grading, labeling, etc.	Proposed legal framework to include powers of Government and procedures to issue, review and enforce a range of minimum acceptable standards for infrastructure and services
Knowledge Management	To fill the information gap regarding efficient performance of agricultural produce markets	Establish sector baselines to benchmark performance Generate database for market management and performance monitoring To provide regular and authentic	Enjoin provincial agricultural produce marketing wing/board or other such relevant entity to initiate surveys and gather and disseminate data by inserting legal obligation to do so in

<b>Table 3: Policy Framework</b>			
		information relating to price and availability of produce	the proposed draft law. The said data is to be accessible to the public and all market functionaries subject to payment of nominal fee
Capacity Building	Building human and technical resources	Provision of training and technical resources to carry out functions of policy formulation, standardization, regulation, knowledge management	Creating the capacity to implement the provisions of the new law by mandating provision of resources necessary for carrying out functions
<b>PUBLIC MARKETS</b>			
Transitional Arrangements	Transforming public markets into more efficient and self-sustaining systems	Reform the management structure of the market to enable independent corporate structure for each market	Denotification of existing notified areas and notified agricultural produce Dissolution of existing market committees Constitution and composition of new market management companies under the proposed legal framework
Infrastructure development	Improving the infrastructure of existing markets	Develop and adopt a strategic plan for infrastructure development and upgrading, which is sensitive to the local area needs and circumstances	Needs assessment of existing markets Improvements in existing markets carried out in collaboration with the private sector
Management	Eliminating the monopoly and rent seeking behavior of	Dissolve existing market committees and in their place establish	The proposed draft law to contain clear provisions for the dissolution and

<b>Table 3: Policy Framework</b>			
	existing market committees and improving market efficiencies through modern management structures and practices	independent entities for each market, with the capacity to outsource the management of existing public markets to specialized service providers via a performance based contract The existing public sector markets to be operated on professional lines with an independent governing body	reconstitution of committees into professionally managed companies which are fully competent and capacitated to advertise and receive bids to enter into agreements with a service provider
Maintenance	Ensuring well maintained markets with timely and regular maintenance, repair and replacement of deteriorating assets	Outsource the maintenance and repair related functions in existing public markets to specialized service providers via a performance based contract	The proposed draft law to contain clear provisions for the constitution of professionally managed companies which are fully competent and capacitated to advertise and receive bids to enter into maintenance contracts with a service provider
Revenue Generation	Creating sustainable markets by making them self-financing and able to generate adequate own source revenues to cover expenditure	Limit market revenue to approximately 1% of value of produce Levy maintenance fees based on allocated space in the market	Insert a schedule of fees receivable against the provision of specified services in the new legal framework

<b>Table 3: Policy Framework</b>			
Financial Management	Ensuring transparency and prudence in revenue collection and expenditure	Mandate the generation of regular reports on the income and expenditure in a market	The proposed draft law to contain substantive provisions that compel the generation of authentic and verifiable financial reports which will be accessible by the members of the public
ROLE OF PRIVATE SECTOR			
Providing sufficient space for private sector participation	Creating an enabling environment for the private sector to establish and operate markets	Limiting the role of public sector marketing Allowing the private sector to undertake agriculture produce marketing	Denotification of existing notified areas and notified agricultural produce Dissolution of existing market committees Encouraging and incentivizing the private sector to engage in agricultural produce marketing
Ensuring participation of private sector in APM	To facilitate the private sector to play a larger role in APM	Matchmaking by identifying vendors interested in promoting quality and facilitating their contact with producers  Providing sufficient incentives and a supportive regime for private sector operations	An appropriate institutional set up to guide and support the private sector by carrying out pre-feasibility studies, project development studies, surveys, etc. Facilitate the establishment of a Trade Organization / Chamber of Agriculture in the province
Development of alternate market channels	To enable unconventional private market channels to	Removing barriers to entry and exit of the private sector	The proposed draft law to contain substantive provisions for



<b>Table 3: Policy Framework</b>			
	operate and flourish		enabling innovative and unconventional market channels which would enable the establishment and operations of farmers markets, organic markets, etc. by the private sector
Public Private Partnerships for establishing new Markets	To encourage the participation of the private sector in establishment and operation of APM	Execution of a binding agreement for grant of concession, management contract, service contract, built operate transfer, etc.	Government to conduct, or cause the conduction of, a pre-feasibility study to ascertain most appropriate use of available resources such as state land / human resources Issuance of Expressions of Interest to pre-qualify interested parties and vendors Receive financial and technical proposals on specific design/operational parameters in conformity with Public Procurement Regulatory Authority Act and Rules

## 5.2. APPENDIX B: Proposed Punjab Law

Punjab Agricultural Produce Marketing  
(Development and Modernization)  
Act (2010)

An

Act to provide for development and modernization of  
agricultural produce marketing and markets in the province  
and matters connected and related thereto.

Preamble

*Whereas it is necessary to provide for development and modernization of agricultural produce marketing in the province in order to enhance its efficiency, profitability and sustainability, and prepare it for challenges of globalization by: creating enabling business environment, encouraging meaningful participation of private sector, diversifying marketing opportunities, providing for efficient alternative dispute resolution, undertaking transition of existing markets into responsible and sustainable entities, endeavoring for equitable returns of inputs for farmers, investors, and value for money for consumers, and catering for the matters connected with and ancillary thereto, in the manner hereafter appearing;*

It is hereby enacted as follows:

Chapter I: Preliminary

### **Title, extent and application**

This Act may be called Punjab Agricultural Produce Marketing (Development and Modernization) Act, 2010.

It shall come into force from such date as may be notified by the Government.

It applies to whole of the Punjab.

**Definitions:** Unless there is anything repugnant in the subject or context, the following terms used in this Act shall have the meaning assigned to them as under:

“Act” means the Punjab Agricultural Produce Marketing (Development and Modernization) Act, 2010.

“agricultural produce” means such produce, products and by-products, whether processed or unprocessed, relating to agriculture, apiculture, sericulture, horticulture, floriculture, livestock, dairy, fishery and poultry as notified by the Government;

“agricultural marketing” means all activities and functions necessary for the sale and purchase of agricultural produce;

“Board” means the Punjab Agricultural Marketing Board established and constituted under this Act;

“by-laws” mean the by-laws adopted by the market management committees under section 42.

“chairman” means the chairman of the Board;

“collection point” means a collection point established under Section 14

“commission agent” means a person, who on behalf of an another and in consideration of commission, makes or offers to make a purchase or sale of any agricultural produce, or does or offers to do anything for carrying out such purchase or sale, and for that purposes maintains a business office in the market.

“company” means a company established under the Companies Ordinance, 1984 or under the Act.

“consumer” means a person who purchases agricultural produce for consumption or use.

“consumer market” means a market where agricultural produce is sold to consumers.

“dealer” means any person who establishes or continues or allows to be continued, any facility (including land and infrastructure) for the wholesale purchase or sale of any agricultural produce, or who engages in the wholesale purchase or wholesale sale of agricultural produce.

“farmer” means a person who is engaged in production of agricultural produce by himself or by hired labor or otherwise, but does not include a dealer or a market functionary;

“farmer market” means a market established under sec 13

“Government” means the Government of the Punjab;

“market” means a place, structure or enclosure established and managed to facilitate sale and purchase of agricultural produce;

“market functionary” means a commission agent, auctioneer, broker, warehouseman, weigh-man, grader, measurer or any other person declared as such under the rules, who render services for marketing of agricultural produce in a market;

“market fee” means an amount levied on sale or purchase of agricultural produce in a public market.

“person” shall include an individual, a company, a cooperative or an association or body of individuals competent to enter into agreement under the law

“prescribed” means prescribed by the rules made under this Act

“private market” means a market which is not a public market

“public market” means a market established by the Government, any of its subsidiaries including the Board, or the Local Government.

“registered” means a person or entity registered under Chapter V of the Act

“registration” means registration of a person or entity under Chapter V of the Act

“regulations” means the regulations made by the Punjab Agriculture Marketing Board

“retailer” means a person who sells agricultural produce to the public for use or consumption

“rules” means the rules made by the Government under section 40.

“section” means a section of the Act

“seller” means any person including a farmer, who himself or on behalf of any other person or agent, sells or agrees to sell agricultural produce in the market

“sub section” means a sub section of a section

“tribunal” means a tribunal established under section 39

“transition” means three years’ period determined from the commencement of the Act

“value addition unit” means a premises where post harvest activity for the protection or improvement of agricultural produce is carried out, but does not include a processing unit of converting it into a product.

“warehouse” means a building or premises used for keeping the agricultural produce therein on behalf of the owner of the agricultural produce in consideration of agreed rent.

"wholesaler" means a person who sells agricultural produce in a market in large quantities to be used or sold by others.

## Chapter II: Agricultural Produce Marketing

### Freedom of Marketing

(1) Subject to this Act, there shall be freedom of marketing in agricultural produce in the province.

(2) A person may

(a) establish and operate any of the following entities:

(i) a wholesale market;

(ii) a retail market, farmer market, consumer market a collection point;

(iii) a warehouse, cold store, or a godown or .

(iv) value addition unit;

(b) work as a dealer or a market functionary;

(c) sell or purchase agricultural produce or

(d) notwithstanding anything contrary in any other law for the time being in force, enter into futures, options and contract farming agreements as may be prescribed.

(3) The Government shall encourage and facilitate the persons conducting or intending to conduct agricultural produce marketing in the Province under this Act.  
Enabling Environment:

All existing notifications issued under sections 3, 4 and 9 of the Punjab Agricultural Produce Markets Ordinance, 1978, and similar notifications issued under the predecessor laws shall be deemed to have been withdrawn from the date this Act comes into force

All Market Committees established or operating under Agricultural Produce Markets Ordinance, 1978 shall stand dissolved from the date this Act comes into force.

No market fee shall be charged on agricultural produce marketing outside the mark

## Chapter III: Agricultural Produce Marketing Board

### Establishment of the Board:

Within a period of six months of the coming into force of this Act, the Government shall establish Punjab Agricultural Produce Marketing Board.

The Board shall be a body corporate having a common seal, perpetual succession and power to acquire and dispose of property, enter into agreements and may sue or be sued in its own name.

The Board shall be a fully autonomous entity with freedom to take action on administrative, financial, commercial matters related to its functions under the Act or Rules

The Board shall have an independent office at Lahore, provided that the Board may establish such regional offices as it may deem fit.

### Constitution of the Board:

The Board shall comprise a chairman and twelve other members appointed by the Government as under:

four professionals in the field of agriculture, marketing, finance, law, business administration, etc. having good standing in the profession;

Secretary Agriculture, or his nominee not below the rank of Additional Secretary ;

Secretary Live Stock & Dairy Development, or his nominee not below the rank of Additional Secretary;

Secretary, Planning & Development Department or his nominee not below the rank of Member;

A representative of Punjab Agricultural Marketing Company;

A representative of Punjab Agricultural Research Board;

One person from the corporate sector;

One expert from academia in the relevant field;

one farmer not working as dealer or market functionary;

one retailer or the wholesaler; and

the Managing Director of the Board (secretary)

Subject to sub-sec (1) of this section:

at least two members of the Board shall be women

not more than one member shall be resident of the same district

Subject to the provisions of sub-sec (1), a person shall not be eligible to be appointed as member of the Board, if he is:

a minor, insolvent or of unsound mind;

convicted of an offence involving moral turpitude;

disqualified to hold any public office

holding a public office except as provided in clauses (b) to (f) of sub-section (1) of this section.

Members other than ex-officio members shall hold office for a period of three years from the date of appointment.

### 7. Meetings, quorum, resolution of the Board

The Board shall hold at least one ordinary meeting during each quarter of a year, one budget meeting and any number of special meetings as may be provided by the Regulations.

(2) The conduct of business of Board shall be governed by the Regulation

(3) The quorum for the meeting shall be at least 50% members including at least five non official members.

### 8. Chairman and Officers

The Chairman shall be appointed by the Government from amongst the members mentioned in clause (a) of sub section (1) of this section.

The Chairman and in his absence, the members may nominate a member from amongst themselves to preside over the meeting of the Board.

The Chairman and the members shall not be paid any salary, remuneration or given any privilege, except prescribed traveling and daily allowance for attending the meetings of the Board or a committee constituted by the Board.

There shall be a whole time Managing Director of the Board, appointed by the Board, who shall be the executive head of the establishment and shall ensure that the affairs of the Board are carried out in accordance of the provisions of the Act, rules and regulations

ensure that the decisions of the Board are faithfully implemented, and

perform such functions as may be delegated by the Board

perform such other functions as may be prescribed

The Board may appoint such officers, consultants, advisors and employees on such terms and conditions as it may deem fit.

#### 9. Functions of the Board

The Board shall

monitor the working of markets, value addition units, warehouses and the whole system of agricultural produce marketing in the province,

develop alternative marketing channels,

establish new markets under public private partnership,

develop and improve the agricultural marketing system,

establish, maintain and run agricultural marketing training institution,

establish agricultural marketing information service,

promote farmers co-operatives,

control unfair marketing practices as determined by Regulations,

promote grading, packing and marking,

perform such functions as:

are entrusted under other provisions of the Act,

may be delegated by the Government, or

may be prescribed.

The Board shall exercise all powers and take action which is necessary and proper for the exercise of functions under the Act.

#### 10. Board Fund:

The Board shall establish, maintain and operate a fund called Punjab Agricultural Produce Marketing Board Fund.

All moneys received by the Board shall be credited to the Fund in the account of the Fund to be maintained with a Scheduled Bank.

All expenditure incurred by the Board under the Act shall be made out of the Fund in the prescribed manner.

#### 11. Budget, Accounts and Audit:

The Managing Director shall prepare the annual budget of the Board and present it before the Board in its Budget Meeting for approval.

The accounts of the shall be maintained and audited in the prescribed manner.

## Chapter IV: Agricultural Produce Markets

### 12. Private Markets:

(1) A private market may be established in such a manner and according to such standards of infrastructure, facilities, environment, services and other related matters as may be prescribed.

(2) No wholesale private market shall be opened to public for the marketing of agricultural produce without obtaining the certificate of registration.

(3) When a part or whole of any market, already established under another law, is intended to be used for the wholesale marketing of agricultural produce, such market shall be registered under this Act, before it is opened to public for the sale of agricultural produce

### 13. Farmer Markets:

A farmer or a group of farmers may establish a Farmer Market in a growing area for the sale of the agricultural produce grown and harvested by the said farmer or group of farmers.

The mode of selling and other terms and conditions of sale shall be settled by the farmers and the buyers..

Subject to sub-section (1) this section, the Farmer Market shall not be treated as a market for purposes of registration.

### 14. Collection Points:

(1) A farmer or a group of farmers may establish a Collection Point for the disposal of his or its agricultural produce

(2) A person carrying on the business of agricultural produce marketing, under the provisions of the Act, may establish collection points to collect the agricultural produce for the convenience of transit.

(3) A Collection Point shall not be treated as markets for the purposes of registration under this Act unless the premises are used for selling or delivering the agricultural produce to another buyer.

(4) The Board may establish, or cause to be established; collection points for the convenience of the farmers to keep their produce and may charge such fees as may be determined by the regulations.

### 15. Consumer Markets:

The local Government may establish consumer markets in cities or towns on weekly or any other periodical basis.

A farmer or a group of farmers may, with the permission of the Local Government, set up and operate a consumer market in a nearby town or city on such terms and conditions as may be determined by mutual agreement.

A Consumer Market shall not be treated as a market for the purposes of registration under this Act.

### 16. Public Markets:

All the existing markets (specified in the schedule) shall be deemed to be public markets established under the Act.

All the assets and liabilities of the market committees shall become the assets and liabilities of the Government from the date of the commencement of the Act.

The rights of the market committees over the possession, control, use and management of the markets shall become the rights of the Government from the date of commencement of the Act.

#### 17. Management of Public Markets:

(1) Subject to provisions of sub-section (2) of this section, the public markets shall be managed in such manner as may be prescribed.

(2) The Government shall take necessary steps to ensure that, within the transition period, the public markets

(a) become self sustainable in their operations and maintenance ,

(b) are placed under the management of a company or a body corporate as may be prescribed.

(c) are made autonomous in the marketing and all other matters relating to their operation, management, finance and maintenance thereof.

(3) No public market shall function beyond the transition period unless it registered with the Board.

#### Chapter V: Registration

#### 18. Registration, authorities and process:

The dealers and the market functionaries shall be registered with such person or entity as may be prescribed.

The wholesale markets, warehouses, cold stores and value addition units shall be registered with the Board.

The licenses valid under the Punjab Agricultural Produce Markets Ordinance, 1978 shall be deemed to be registration certificates under the Act for the period for which these were granted under the said Ordinance.

(4) The registration certificate shall be displayed at a prominent place in the market or the office of the dealer and commission agent, and shall remain displayed throughout the period that the market or the concerned office is open to the public

(5) The Government shall prescribe the rate of fees for registration of various categories of persons and entities engaged in the marketing of agricultural produce

#### 19. Expeditious Processing of cases:

The registration process shall be completed within 30 working days of the submission of application and registration certificate be issued unless the applicant is informed, within that period, about the reasons for not being registered.

#### 20. Prohibition of Certain Marketing without Registration:

No person shall



use or allow another person to use his premises for marketing or processing of Agricultural Produce, unless the premises are registered for that purpose, if so required under the Act or the rules.

undertake the marketing of agricultural produce without being registered as required under the Act or rules.

#### 21. Refusal of Registration:

The registration shall be refused if

- (a) the individual is an insolvent or of unsound mind;
- (b) the individual or entity lacks capacity to enter into an agreement;
- (c) the registration fee has not been paid;
- (d) there is noncompliance of the prescribed standards and other requirements.

#### 22. Appeal against Refusal of Registration:

(1) an appeal against the order of refusal of registration of a dealer or a market functionary may be filed before the Board.

(2) appeal against the refusal of registration of a wholesale market, value addition unit, warehouse or a cold store may be filed before the Tribunal.

(3) the appellate authority, in each case, shall give a reasonable opportunity of being heard to the appellant as well as the respondents.

#### 23. Revision of the order of Registration.

The Tribunal may call for the record of any case, in which the Board has registered any person or entity, to satisfy itself about the legality and regularity of the order or proceedings, and pass such orders as it may deem proper under the law.

#### 24. Duration and Renewal of Registration.

A registration certificate shall expire after a period of three years unless cancelled or suspended earlier.

The person concerned may apply for renewal of the registration after paying the prescribed renewal fee.

#### 25. Cancellation of Registration

The registration of any person or entity may be cancelled, by the person or authority competent to register under section 20, on any of the following grounds:

- violation of the provisions of the Act, rules, regulations or by-laws;
- violation of the terms of registration;
- conviction for offence involving moral turpitude;
- misrepresentation, fraud or forgery with relation to registration;
- unfair trade practices as prescribed.
- using the premises for unlawful activities or
- other such grounds as may be prescribed.

## 26. Suspension of Registration

(1) The registration of any person, market, warehouse, or a value addition unit may be suspended, by the person or authority competent to register under section 20, up to a period of three months, on the following grounds, namely:

- (a) use of the premises for activities not covered by the registration;
- (b) dirty, unhealthy or dangerous premises;
- (c) disorderly and unorganized market or marketing; or
- (d) default in payment of fees, fines and other dues.
- (e) minor cases arising out of the grounds specified in the preceding section.

(2) The authority passing the order of suspension may withdraw the order, if it is satisfied that

the grounds on which the order was passed no longer exist, or  
the concerned person or the authorized agent of the entity has undertaken that  
the grounds of suspension will be removed within such time as may be  
determined by the authority and has deposited such amount as security, as may  
be determined by the authority, to fulfill the undertaking, failing which the  
security shall stand forfeited.

## 27. Procedure for Cancellation and Suspension

The person or authority competent to cancel or suspend the registration may start the proceedings on the complaint of an aggrieved person, or on its own motion, if it is satisfied that there are sufficient grounds to proceed in the matter.

The competent authority shall give a notice to the person concerned stating the grounds of proceedings and the possible consequences of a findings against him

## 28. Appeal against Cancellation and Suspension of Registration

Appeal may be filed against the decision of :

the Market Management Committee, under subsection (1) of preceding section , before the Board, and the Board, under subsection (2) and (3) of the said section, before the Tribunal The appellate authority shall give a reasonable opportunity of being heard to the appellant as well as the respondents.

(3) The decision of the Tribunal under this section shall be final and shall not be called in question before a court, or any other authority.

## Chapter VI: Functions of the Government

### 29. Development:

The Government shall facilitate the modernization and development of the markets, value addition units, storage and marketing system under the Act.

The Government may direct the Board to take necessary steps to encourage, promote and facilitate the development and modernization of markets, value addition units, storage and marketing of agricultural produce, in consultation with stakeholders.

### 30. Support

The Government shall, subject to availability of resources, provide or cause to be provided:

Market information services and survey of markets and marketing of agricultural produce.

Research and publications in agricultural produce marketing

Market extension services

### 31. Standards

The Government shall prescribe standards in agricultural produce marketing to cater to the:

quality, safety, grading, packing, marking of agricultural produce

storage, warehouses and cold chains

infrastructure facilities and services for markets established after coming into force of this Act

upgrading of infrastructure and facilities in existing markets

The Government may place the markets mentioned in clause (c) and (d) above in different categories and may provide for different standards for each category

### 32. Powers over the Board.

(1) The Government, if it is satisfied that the functions of the Board are not being carried on in accordance with the provisions of the Act, rules or regulations, may after due notice to the Board and inquiry, by notification:

declare that the functions of the Board to such extent as may be specified in the notification be exercised by the Government or such person or persons as it may direct; assume to itself all or any of the powers vested in or exercisable by the Board; make incidental and consequential provisions as may appear to be necessary or expedient for giving effect to the objects of the notification.

(2) The Tribunal may, on its own motion or otherwise, call for the record of the proceedings under sub-section (1) of this Section to satisfy itself about the legality and regularity of the action taken by the Government, and may pass such order as it may deem fit.

## Chapter VII: Penalties and Legal Proceedings

### 33. Penalties

Any person who establishes a market or carries on the marketing of agricultural produce in violation of the provisions of the Act, rules, regulation and by-laws shall, on conviction by a court be liable to imprisonment not exceeding six months or to a fine not exceeding Rs.50,000 or to both.

Any person working as a dealer or a market functionary in contravention of the provisions of the Act, rules, regulations and by-laws shall, on conviction by a court be liable to imprisonment up to three months or to a fine not exceeding Rs.25,000 or to both.

Any person working as a dealer or a market functionary without being registered under the Act shall on conviction by a court be liable to imprisonment up to one year or to a fine not exceeding Rs.100,000 or to both

Any person who encroaches upon any property, in a public market, shall, on conviction by a court be liable to imprisonment up to one year or to a fine not exceeding Rs.500,000 or to both.

#### 34. Trial and Nature of Offences

- (1) No person shall be tried under the Act except on a complaint by a person authorized by the Board.
- (2) No person shall be tried, for an offence under the Act, by a court not lower than that of a Magistrate of 1<sup>st</sup> class.
- (3) The offences under the Act except, offences under sub-section (4) of section 40 shall be non-cognizable and bailable.
- (4) Offences under sub-section (4) of section 34 shall be cognizable and non bailable.

#### 35. Bar of suits:

No suit or any other proceedings shall lie, in any matter relating to registration or disputes mentioned in Sections 37 and 38, before any court or authority, except as provided by or under this Act.

#### 36. Notice of Suits:

Subject to the provisions of section 35, a suit against the Board or any person, with relation to any matter under this Act shall only be filed after giving a written notice of 30 days to the said person or the Board.

A copy of the plaint shall be attached with the notice.

The said person or the Board, as the case may be, may negotiate with the prospective plaintiff to amicably settle the dispute and may also offer to settle the matter through arbitration.

### Chapter VIII: Dispute Resolution

#### 37. Marketing Disputes:

(1) All disputes relating to trading in the markets shall be referred to the market *punchyat*, - village council- appointed by the board for one or more markets, which shall mediate to amicably settle the disputes within one month of receiving the application or such extended period which may be agreed between the parties.

(2) Where the *punchyat* fails to settle the dispute under sub section (1) of this section, the aggrieved person may make an application to such dispute resolution committee as may be prescribed, which shall after due notice and inquiry, decide the case within sixty days of the receipt of application and provide a copy of the decision to the parties.

(3) The decision of the dispute resolution committee shall be final and shall not be called in question in any court.

### 38. Market Disputes:

- (1) Disputes arising out of the working of a market shall be decided by the Board.
- (2) An appeal against the decision of the Board, under this section, may be filed by an aggrieved person before the Tribunal, within one month of the decision of the Board.
- (3) The decision of the tribunal shall be final and shall not be called in question in any court.

### 39. Tribunal:

The Government shall, within six months of the coming into force of the Act, establish a Tribunal, comprising a retired judge of the Lahore High Court, to exercise jurisdiction under the Act.

The Tribunal shall exercise such jurisdiction which is vested in it by the Act or Rules, and shall conduct its proceedings according to the prescribed procedure.

The Government, the Board and any other person, working or exercising any authority or performing any functions with relation to any matter covered by the Act, shall faithfully implement the decisions of the Tribunal

## Chapter IX: Subordinate Legislation

### 40. Rules:

The Government may make rules to:

carry out the functions entrusted to it under the Act,

implement the provisions of the Act relating to the matters prescribed

give effect to the provisions of the Act except such matters which are covered under sub rule (2) of this section

Subject to clauses (a) and (b) of sub rule (1) of this section, the Government shall not make rules relating to the matters entrusted to the Board under this Act.

The Rule making shall be subject to previous publication in Punjab General Clauses Act, 1956.

### 41. Regulations:

Subject to the Act and the rules, the Board may frame regulations to carry out the functions entrusted to it under the Act.

The Government may direct the Board to modify any regulation which is repugnant to the provisions of the Act and rules.

### 42. By –laws:

Subject to the provisions of the Act, rules and regulations, the person or the entity, responsible for the management of the market, may frame by-laws in respect of the working of the market for such matters as be provided by the Board under regulations. The Board shall notify model by-laws, which may be adopted by management of a market.

The model by-laws shall cater for modifications, relating to the day to day affairs of the market, according to the exigencies of the local marketing.

#### 43. Removal of Difficulties:

If any difficulty arises in the application of the Act which, in the opinion of the Government, is clearly detrimental to the purposes of the Act, the Government may, on the recommendations of the Board or on its own motion, take such action or pass such order as it may consider necessary and proper in the circumstances.

### Chapter X: Repeal and Savings

#### 44. Repeal and Saving:

The Agricultural Produce Markets Ordinance, 1978 is hereby repealed

Notwithstanding the repeal of the Ordinance under sub-section (1),

everything done, action taken, obligation, liability, penalty or punishment incurred, inquiry or proceeding commenced, committee appointed or person appointed or authorized, jurisdiction or power conferred, order or notification issued under any of the provisions of the said Ordinance, shall if not repugnant to the provisions of this Act be continued and, so far as may be, deemed to have been respectively done, taken, incurred, commenced, appointed, authorized, conferred, made or issued under this Act. all rules and by-laws framed under the repealed Ordinance, not repugnant to the provisions of the Act, shall remain in force and shall be deemed to be rules and by-laws respectively framed under the Act till such time these are replaced by rules or by-laws respectively framed under this Act.

all employees of the market committees employed under the repealed Ordinance shall be deemed to be employees of the Government/Board and shall continue to perform their functions on the existing terms and conditions in the respective markets or such markets to which they are assigned by the Government/Board till such time as may be prescribed.

### 5.3. APPENDIX C: Suggested Amendments in the Sindh Bill

Table 4: Suggested Amendments in the Sindh Bill			
	<b>A Bill</b> To provide development and regulation of competitive and transparent wholesale agricultural produce markets in the Province of Sindh;		<b>Revised Bill</b> To provide for development of Agricultural Produce Markets and the liberal, competitive and transparent wholesale agricultural produce marketing in the Province of Sindh;
<b>Preamble</b>			
	<b>WHEREAS</b> it is expedient to provide for enhanced competition and greater efficiency by enabling the establishment of private sector wholesale agricultural produce markets, promoting private sector investment to develop the agricultural marketing system, and allowing effective regulation for more competitive, transparent, modern and efficient wholesale agricultural produce markets in the province of Sindh and for the matters connected therewith or ancillary thereto;		<b>WHEREAS</b> it is expedient to provide for modernization and liberalization of Agricultural Produce Marketing in the province in order to enhance its efficiency, profitability and sustainability and prepare it for challenges of globalization by creating enabling business environment, encouraging meaningful participation of Private Sector, diversifying marketing opportunities, undertaking transition of existing markets into responsible and sustainable entities, endeavoring for equitable returns of inputs for growers, investors, and consumers, and catering for essential support services in its development.
It is hereby enacted as follows :			
1.	<b>Short title, commencement and extent</b>		<b>Short title, commencement and extent</b>
	(1)	This Act may be called the Sindh Wholesale Agricultural Produce Markets (Development and Regulation) Act, 2010.	(1) This Act may be called the Sindh Wholesale Agricultural Produce Marketing (Development and Liberalization) Act, 2010.
	(2)	It extends to the whole of the province of Sindh.	(2) It extends to the whole of the province of Sindh.
	(3)	It shall come into force at once.	(3) It shall come into force at once.
2.	<b>Definitions</b>		<b>Definitions</b>
	(a)	“agricultural produce” includes all agricultural or horticultural produce, livestock or poultry, fish or seafood and products and by-products thereof, all of	“agricultural produce” includes all agricultural or horticultural produce, livestock or poultry, fish or seafood and products and by-products thereof, for sale or

	which are capable of human consumption; for sale or purchase in wholesale market within a boundary;		purchase in wholesale marketing.
(b)	“allottee” means a person who has been allotted a plot in a notified market by Government under the Sind Agricultural Produce Markets Act, 1939, which allotment is effective on the date of this Act;	(b)	“allottee” means a person who has been allotted a plot in a notified market by Government under the Sind Agricultural Produce Markets Act, 1939, which allotment is effective on the date of this Act
(c)	“dealer” means any person who, within a notified market or a private market, establishes or continues or allows to be continued any facility (including land and infrastructure) for the wholesale purchase or sale of any agricultural produce, or who engages in the wholesale purchase or sale of agricultural produce and shall include all persons who are allottees on the date of commencement of this Act;	(c)	“dealer” means any person who, within a notified market or a private market, establishes or continues or allows to be continued any facility (including land and infrastructure) for the wholesale purchase or sale of any agricultural produce, or who engages in the wholesale purchase or sale of agricultural produce and shall include all persons who are allottees on the date of commencement of this Act;
(d)	“general market” means an agricultural produce market dealing in a variety of agricultural produce items;	(d)	“general market” means an agricultural produce market dealing in a variety of agricultural produce items;
(e)	“Government” means the Government of Sindh;	(e)	“Government” means the Government of Sindh;
(f)	“grower” means a person who grows agricultural produce either directly or through tenants, hired labor or otherwise, and includes a grower who also works as a dealer or a broker or who is a partner of a firm of dealers or brokers or is otherwise engaged in the business of the disposal or storage of agricultural produce;	(f)	“grower” means a person who grows agricultural produce either directly or through tenants, hired labor or otherwise, but does not include a person who also works as a dealer or broker or who is a partner of a firm of dealers or brokers or is otherwise engaged in the business of the disposal or storage of agricultural produce;
(g)	“market committee” means a committee notified and established under section 7 of	(g)	“market committee” means a committee notified and established under section 7 of



		the Agricultural Produce Markets Act 1939, which committee is in existence on the date of commencement of this Act;		the Agricultural Produce Markets Act 1939, which committee is in existence on the date of commencement of this Act;
	(h)	“market company” means a company incorporated under section 6 of this Act;	(h)	market company” means a company incorporated under section 6 of this Act;
	(i)	“market standards” means standards prescribed from time to time in relation to the design, construction, implementation, operation and the maintenance of notified markets and private markets;	(i)	“market standards” means standards prescribed from time to time in relation to the design, construction, implementation, operation and the maintenance of notified markets and private markets;
	(j)	“notified market” means a wholesale market established under the Agricultural Produce Markets Act, 1939;	(j)	“notified market” means a wholesale market established under the Agricultural Produce Markets Act, 1939;
	(k)	“private market” means a facility that includes a building or a block of buildings, , enclosure and such infrastructure and or services as may be prescribed for the purposes of the wholesale purchase or sale of agricultural produce owned by private person, entity or entities, established and managed under this Act;	(k)	“private market” means a facility that includes a building or a block of buildings, , enclosure and such infrastructure and or services as may be prescribed for the purposes of the wholesale purchase or sale of agricultural produce owned by private person, entity or entities, established and managed under this Act;
	(l)	“prescribed” means prescribed by rules made under this Act;	(l)	“prescribed” means prescribed by rules made under this Act;
	(m)	“rules” mean the rules made under this Act;	(m)	“rules” mean the rules made under Section 16 this Act;
	(n)	“specialized market” means an agricultural produce market largely dealing with a single variety of agricultural produce item or items; and	(n)	“specialized market” means an agricultural produce market largely dealing with a single variety of agricultural produce item or items; and
	(o)	“wholesale” means the sale or purchase of agricultural produce by a dealer or a grower to another dealer or a grower for the purpose of resale, but does not include	(o)	“wholesale” means the sale of agricultural produce by a grower to a dealer or, by a dealer to another dealer for resale, but does not include the sale or purchase of agricultural

		the sale or purchase of agricultural produce to an end user or consumer.		produce to an end user or consumer
	<b>CHAPTER 1 - REGULATION OF PRIVATE MARKETS AND NOTIFIED MARKETS</b>		<b>CHAPTER 1 - REGULATION OF PRIVATE MARKETS AND NOTIFIED MARKETS</b>	
3	<b>Regulation of private markets and public wholesale markets</b>		<b>Regulation of private and public markets</b>	
	(1)	All private markets and notified markets shall be regulated in accordance with the provisions of this Act and the rules framed there under from time to time.	(1)	All notified markets shall be regulated in accordance with the provisions of this Act and the rules framed there under from time to time.
	(2)	Government shall take all steps to ensure that notified markets are transferred to market companies as may be prescribed.	(2)	Government shall take all steps to ensure that notified markets are transferred to market companies as may be prescribed.
	(3)	Government shall not exercise any power under the Agricultural Produce Markets Act, 1939 for the establishment of any new notified market, and the declaration of any notified area.	(3)	Government shall not exercise any power under the Agricultural Produce Markets Act, 1939 for the establishment of any new notified market, and the declaration of any notified area.
	(4)	On commencement of this Act, neither shall any new market be established nor any area declared for such purpose under the provisions of Agricultural Produce Markets Act, 1939.	(4)	On commencement of this Act, neither shall any new market be established nor any area declared for such purpose under the provisions of Agricultural Produce Markets Act, 1939.
			(5)	Government may, with or without prior notice, inspect a notified market that has been transferred to a market company or any market to ensure that they are established and operated strictly in accordance with all the applicable laws, rules and regulations.
3-A			All private markets shall be regulated according to the provisions of the Act	

		and rules framed under it; Provided that the rules relating to private markets and marketing outside the notified markets shall not place unnecessary or unreasonable restrictions on the marketing of agricultural produce.
3-B		Each market company or private market shall issue an annual report, setting out in reasonable detail, the development and performance of the wholesale markets for agricultural produce.
	<b>CHAPTER 2 - MODE OF TRADING</b>	
4.	<b>Mode of trading</b>	<b>Mode of trading</b>
	(1) Notwithstanding the requirements of any other law for the time being in force (including any law imposing price control on the sale or purchase of agricultural produce), all agricultural produce intended to be purchased or sold on a wholesale basis at a notified market or a private market shall be purchased by or sold to dealers or other buyers by open auction in such manner as may be prescribed	(1) Notwithstanding the requirements of any other law for the time being in force, including any law imposing price control on the sale or purchase of agricultural produce, all agricultural produce intended to be purchased or sold on a wholesale basis at a notified market or a private market may, at the option of the seller, be purchased by or sold to dealers or other buyers by open auction or negotiation.
	A grower may, directly sell his agricultural produce in such manner and on such terms and conditions as he deems fit and shall not be required to sell such agricultural produce through or at a notified market or a private market or any other market howsoever established.	A grower may, directly sell his agricultural produce in such manner and on such terms and conditions as he deems fit and shall not be required to sell such agricultural produce through or at a notified market or a private market or any other market howsoever established.
	<b>CHAPTER - 3 RE-ORGANIZATION OF NOTIFIED MARKETS</b>	<b>CHAPTER - 2 RE-ORGANIZATION OF NOTIFIED MARKETS</b>
5.	<b>Dissolution of Market Committees</b>	<b>Dissolution of Market Committees</b>

	(1)	The market committees existing immediately before the commencement of this Act shall stand dissolved as may be prescribed.	(1)	The market committees and notified markets existing immediately before the commencement of this Act shall stand dissolved at such time or times as may be prescribed.
	(2)	Notwithstanding any provision of any law for the time being in force, any person shall be entitled, at any time after the commencement of this Act, to establish a private market for the wholesale, sale or purchase of agricultural produce in accordance with the provisions of this Act and in such manner as may be prescribed.	(2)	Notwithstanding any provision of any law for the time being in force, any person shall be entitled, at any time after the commencement of this Act, to establish a private market for the wholesale, sale or purchase of agricultural produce in accordance with the provisions of this Act and in such manner as may be prescribed
6.	<b>Incorporation of notified markets</b>		<b>Transfer of assets of notified markets</b>	
	(1)	Government shall, with respect to each notified market, not later than the date as may be prescribed for the dissolution of such notified market, take all steps and do all acts and things necessary to ensure that all the assets and all the liabilities of each such notified market are transferred, in their entirety to a market company incorporated as a private limited company under the Companies Ordinance, 1984, so that the assets and liabilities of each such notified market shall stand transferred from respective market committee to a separate market company. The transfer of each such notified market to its market company shall take place in such manner as may be prescribed; provided that Government shall ensure	(1)	Government shall, with respect to each notified market, not later than the date as may be prescribed for the dissolution of such notified market, take all steps and do all acts and things necessary to ensure that all the assets and all the liabilities of each such notified market are transferred, in their entirety to a market company so that the assets and liabilities of each such notified market shall stand transferred from respective market committee to a separate market company. The transfer of each such notified market to its market company shall take place in such manner as may be prescribed; provided that Government shall ensure that, with respect to each notified market, a complete valuation of the assets and liabilities of such wholesale market are undertaken by a chartered

		that, with respect to each notified market, a complete valuation of the assets and liabilities of such wholesale market are undertaken by a chartered accountant or a firm of chartered accountants established and registered under the Chartered Accountants Ordinance, 1961 and such number of shares are issued by each market company so as to ensure that the issued, subscribed and paid up capital of a market company as fully reflects the results of such complete valuation.		accountant or a firm of chartered accountants established and registered under the Chartered Accountants Ordinance, 1961 and such number of shares are issued by each market company so as to ensure that the issued, subscribed and paid up capital of a market company as fully reflects the results of such complete valuation.
	(2)	All issued shares in a market company shall be held by the Government or any agency or instrumentality thereof or any person or entities nominated by the Government and shall be issued at par, each share having nominal value of rupees ten only. Government, in its capacity as a shareholder of the market companies, shall always exercise its voting powers therein, in a manner that is consistent with the purpose of this Act.	(2)	All issued shares in a market company shall be held by the Government or any agency or instrumentality thereof or any person or entities nominated by the Government and shall be issued at par, each share having nominal value of rupees ten only. Government, in its capacity as a shareholder of the market companies, shall always exercise its voting powers therein, in a manner that is consistent with the purpose of this Act.
	(3)	Each market company shall be established as a single purpose market company to be established and maintained exclusively for operating and managing the notified market which has been transferred to such market company under sub-section (1).	(3)	Each market company shall be established as a single purpose market company to be established and maintained exclusively for operating and managing the notified market which has been transferred to such market company under sub-section (1).
	(4)	No share of any market company shall be sold, transferred, assigned,	(4)	No share of any market company shall be sold, transferred, assigned, pledged,

		pledged, encumbered or in any manner used as security for the procurement of any loan, liability or other advantage or right except in such manner as may be prescribed.		encumbered or in any manner used as security for the procurement of any loan, liability or other advantage or right except in such manner as may be prescribed.
	(5)	Government shall ensure that, with effect from the date of commencement of this Act, each allottee having rights that are enforceable against a market committee of a notified market under the Agricultural Produce Markets Act, 1939 shall have similar rights available to it under a new contract or obligation to be entered into between such allottee and the market company to which the assets and liabilities of such notified market have been transferred under this Act	(5)	Government shall ensure that, with effect from the date of commencement of this Act, each allottee having rights that are enforceable against a market committee of a notified market under the Agricultural Produce Markets Act, 1939 shall have similar rights available to it under a new contract or obligation to be entered into between such allottee and the market company to which the assets and liabilities of such notified market have been transferred under this Act.
	(6)	No market company shall sell, transfer, assign, pledge, encumber or otherwise use as security, any of its fixed assets except with the approval of a resolution passed by the shareholders of such market company.	(6)	No market company shall sell, transfer, assign, pledge, encumber or otherwise use as security, any of its fixed assets except with the approval of a resolution passed by the shareholders of such market company.
			(7)	The Government shall prepare strategic plan for development of infrastructure in markets.
7.	<b>Board of Directors for notified markets</b>		<b>Board of Directors for notified markets</b>	
	(1)	Each market company shall, at all times, have a Board of seven Directors of which three shall be Agriculturists, three shall be nominated by the allottees of notified market of which the market company is the successor and one	(1)	Each market company shall have a Board of seven Directors of which three shall be growers, three shall be the allottees of notified market of which the market company is the successor and one Director shall be nominated by the Government.

		Director duly shall be nominated by Government.		
	(2)	Out of three directors representing agriculturists, one each shall be nominated by the Sindh Chamber of Agriculture, Sindh Abadgaar Board and Government respectively.	(2)	Out of three Directors from the growers, one each shall be nominated by the Sindh Chamber of Agriculture, Sindh Abadgaar Board and Government respectively
	(3)	Each of the Directors nominated by the allottees under subsection (1) shall have at least seven years of experience in the wholesale marketing of agricultural produce and such other qualifications as may be prescribed.	(3)	Each of the Directors from the allottees under subsection (1) shall have at least ten years of experience in the wholesale marketing of agricultural produce and such other qualifications as may be prescribed.
	(4)	Each market company shall have a full time Chief Executive and a Chief Financial Officer, to be appointed by the Board of Directors of the market company through a transparent and competitive recruitment process, from the date of incorporation of the market company. The terms and conditions of employment of the Chief Executive and the Chief Financial Officer shall be as mutually agreed between the market company and each such person.	(4)	Each market company may employ, within its available resources, such officers, experts or other employees as are necessary for efficient working of the market company.
	(5)	The Chief Executive appointed by the Board shall have at least seven years' marketing experience, preferably in the agricultural produce sector.	(5)	OMMITED
	(6)	The Chief Financial Officer appointed by the Board of Directors of the market company shall be a chartered accountant registered under	(6)	OMMITED

		the Chartered Accountants Ordinance, 1961 (X of 1961) and shall have at least seven years' experience of relevant field.		
	(7)	Each market company shall be exclusively responsible for the management, administration, and development of the relevant notified market transferred to it and shall undertake the same in accordance with the market standards as may be prescribed.	(7)	Each market company shall be exclusively responsible for the management, administration, and development of the relevant notified market transferred to it and shall undertake the same in accordance with the market standards as may be prescribed.
8.	<b>Chairman of the Board of Directors</b>		<b>Chairman of the Board of Directors</b>	
	The Chairman of the Board of Directors of the market company shall be elected by the Directors from amongst the Directors		The Chairman of the Board of Directors of the market company shall be elected by the Directors from amongst the Directors.	
9	<b>Functions and powers of the Board of Directors</b>		<b>Functions and powers of the Board of Directors</b>	
	The Memorandum and Articles of Association of a market company shall specify the functions and powers of the respective market company and Board of Directors of the company and Chief Executives so as to ensure that the Board of Directors of the company has complete autonomy to the extent permitted by law, to manage the business and affairs of the market company		The Memorandum and Articles of Association of a market company shall specify the functions and powers of the respective market company and Board of Directors of the company and its officers so as to ensure that the Board of Directors has complete autonomy to the extent permitted by law, to manage the business and affairs of the market company.	
10	<b>Appointment of Officers and staff.</b>		<b>Appointment of Officers and staff</b>	
	(1)	Each market company shall have a Secretary who shall exercise such powers as may be prescribed. The Secretary shall have such qualifications and experience as may be prescribed and shall be appointed by the Board of Directors of the market	(1)	Each market company shall have a Secretary who shall exercise such powers as may be prescribed. The Secretary shall have such qualifications and experience as may be prescribed and shall be appointed by the Board of Directors of the market company



		company on such terms and conditions as may be mutually agreed between such market company and such person.		on such terms and conditions as may be mutually agreed between such market company and such person.
	(2)	Each market company shall also have ministerial staff for management of affairs of market, in accordance with the procedure, as may be prescribed.	(2)	OMMITED
11	<b>Transfer of all the employees of market committees to Market Companies.</b>		<b>Transfer of the employees of market committees.</b>	
	(1)	All the employees of the Market Committees including the employees of Market Committees Pool Fund shall be transferred by Government for service under the successor market companies, on such terms and conditions as may be determined by Government, which shall not be less favorable than those admissible to them immediately before transfer to the market companies.	(1)	The employees of the Market Committees including the employees of Market Committees Pool Fund may be transferred by Government for service under the successor market companies, or to any its departments or its attached entities,, on such terms and conditions as may be determined by Government, which shall not be less favorable than those admissible to them immediately before transfer to the market companies.
	(2)	Pension, gratuity, commutation and other service benefits as the case may be admissible to such employees including the employees who retired or died while serving in the Market Committees together with the employees of Market Committees Pool Fund before the commencement of this Act shall be the responsibility of the successor Market Companies and settled in the manner as may be prescribed.	(2)	Pension, gratuity, commutation and other service benefits as the case may be admissible to such employees including the employees who retired or died while serving in the Market Committees together with the employees of Market Committees Pool Fund before the commencement of this Act shall be the responsibility of the successor Market Companies or the Government and settled in the manner as may be prescribed.
12	<b>Memorandum and articles of association of a market company.</b>		<b>Memorandum and articles of association of a market company.</b>	

	The Memorandum of Association and the Articles of Association of a market company shall contain such provisions as may be prescribed.		The Memorandum of Association and the Articles of Association of a market company shall contain such provisions as may be prescribed.	
13	<b>Financial sustainability</b>		<b>Financial sustainability</b>	
	Each notified market shall be operated by its market company in such manner as shall ensure that such wholesale market is financially self-sustaining without recourse to lending, grants, or the injection of further equity or other assistance from the Government.		(1)	Each notified market shall be operated by its market company in such manner as shall ensure that such wholesale market is financially self-sustaining without recourse to lending, grants, or the injection of further equity or other assistance from the Government.
			(2)	The market company may levy and collect prescribed fees for providing necessary services in the market.
	<b>CHAPTER - 4 RIGHT TO ESTABLISH A PRIVATE MARKET</b>		<b>CHAPTER - 3 DEVELOPMENT AND REGULATION</b>	
14	<b>Establishment of private market</b>		<b>Establishment of Private Market</b>	
	Any entity or person (with the exception of the Federal Government or Government or anybody, entity or organization established or created or continued under the Sindh Local Government Ordinance, 2001 or any entity or person which is directly or indirectly owned or in any manner controlled by the Federal Government or Government or anybody, entity or organization established or created or continued under the Sindh Local Government Ordinance, 2001) may, in such manner as may be prescribed, establish one or more private market or markets for the wholesale purchase and sale of agricultural produce.		Any entity or person (with the exception of the Federal Government or Government or anybody, entity or organization established or created or continued under the Sindh Local Government Ordinance, 2001 or any entity or person which is directly or indirectly owned or in any manner controlled by the Federal Government or Government or anybody, entity or organization established or created or continued under the Sindh Local Government Ordinance, 2001) may, in such manner as may be prescribed, establish one or more private market or markets for the wholesale purchase and sale of agricultural produce.	
15	<b>Registration with the Government</b>		<b>Registration with the Government.</b>	
	(1)	Each market company to which a notified market has been transferred under	(1)	Each market company to which a notified market has been transferred under section 6 and

		section 6 and each private market shall be registered with Government in such manner and within such time as may be prescribed. Government shall issue a certificate of registration, in such form as may be prescribed, to a market company to which a wholesale market has been transferred under section 6 or to a private market not later than seven days from the date of compliance by the notified market or the private market, as the case may be, with such requirements as may be prescribed.		each private market shall be registered with Government in such manner and within such time as may be prescribed. Government shall issue a certificate of registration, in such form as may be prescribed, to a market company to which a wholesale market has been transferred under section 6 or to a private market not later than seven days from the date of compliance by the notified market or the private market, as the case may be, with such requirements as may be prescribed.
	(2)	All market companies and operators of private markets shall display, for public inspection, the certificate of registration issued under subsection (1).	(2)	All market companies and operators of private markets shall display, for public inspection, the certificate of registration issued under subsection (1).
15-A				The government shall through its own resources or in partnership with private sector establish or cause to be established a training institution for the training relating to agricultural produce marketing and matters connected therewith, and cater for the scheme of studies, curriculum, instruction, examination system and other related matters
15-B			(1)	The Government may establish Agricultural Produce Marketing Board to facilitate the development of the existing markets and establishment of model markets in public sector, private sector or a combination thereof. The constitution, and matters relating to the working of the Board shall be such as may be prescribed

		(2)	The government may delegate any of its functions under the Act to the Agricultural Produce Marketing Board.
		(3)	Where the Government establishes the Agricultural Produce Marketing Board, it shall allocate resources necessary for the performance its functions.
15-C	<b>Training Institution</b>		
			The Government may facilitate collective marketing through growers associations, cooperative societies and other such entities.
15-D	<b>Model Agricultural Produce Markets</b>		
			The Government may facilitate, or develop in participation with private sector, model agricultural marketing facilities including markets in such manner as may be prescribed.
15-E			The Government shall, within a period of one year from the date of commencement of this Act, establish or cause to be established reliable system providing, on payment of prescribed fee, information regarding the supply, demand, prices and other related matters of wholesale agricultural produce marketing in the Province of Sindh.
	<b>CHAPTER - 5 DEVELOPMENT AND REGULATION</b>		
16	<b>Power to make rules</b>		<b>Power to make rules.</b>
	(1)	Government may make rules consistent with this Act for carrying out the purposes of this Act being either rules of general application to all wholesale markets for agricultural produce in the province of Sindh or with respect to any specific	(1) Government may make rules consistent with this Act for carrying out the purposes of this Act being either rules of general application to all wholesale markets for agricultural produce in the province of Sindh or with respect to any specific marketing company or private market

		marketing company or private market.		
	(2)	In particular and without prejudice to the generality of the foregoing power such rules may provide for :	(2)	In particular and without prejudice to the generality of the foregoing power such rules may provide for :
	(i)	infrastructure standards and equipment requirements for general and specialized markets;	(i)	infrastructure standards and equipment requirements for general and specialized markets;
	(ii)	place or places at which agricultural produce shall be weighed, the description of scales, weights and measures;	(ii)	place or places at which agricultural produce shall be weighed, the description of scales, weights and measures;
	(iii)	reliable grading, standardization and processing equipment and standards;	(iii)	reliable grading, standardization and processing equipment and standards;
	(iv)	inspection, verification, regulation, correction and confiscation of scales, weights and measures in use;	(iv)	inspection, verification, regulation, correction and confiscation of scales, weights and measures in use;
	(v)	transparent and reliable auctions and financial transactions;	(v)	transparent and reliable auctions and financial transactions;
	(vi)	public or consumer grievance redress;	(vi)	public or consumer grievance redress;
	(vii)	transparency and disclosure standards; and	(vii)	transparency and disclosure standards; and
	(viii)	the market standards.	(viii)	the market standards.
	(3)	A draft version of all rules or any amendments thereto shall be notified in the official gazette for public comments ,allowing at least twenty days for such comment. A committee headed by the Secretary Agriculture Department, Government of Sindh shall consider public comments received in response to the publication of	(3)	A draft version of all rules or any amendments thereto shall be notified in the official gazette for public comments, allowing at least twenty days for such comment. A committee headed by the Secretary Agriculture Department, Government of Sindh shall consider public comments received in response to the publication of draft rules and Government shall, on the

		draft rules and Government shall, on the advice of such committee make such amendments into the draft rules and notify the same in the official gazette as soon as possible.		advice of such committee make such amendments into the draft rules and notify the same in the official gazette as soon as possible.
	(4)	Government may, with or without prior notice, inspect a notified market that has been transferred to a market company or any market to ensure that they are established and operated strictly in accordance with all the applicable laws, rules and regulations.	(4)	SHIFTED
	(5)	Each market company or private market shall issue an annual report, setting out in reasonable detail, the development and performance of the wholesale markets for agricultural produce.	(5)	SHIFTED
	(6)	Government shall, not later than 120 days from the date of commencement of this Act, establish or cause to be established on-line information system providing information on the wholesale supply, demand, and prices of agricultural produce bought or sold in the Province of Sindh, against payment of fee as may be prescribed.	(6)	SHIFTED
			<b>CHAPTER - 4 OFENCES, PENALTIES &amp; RECOVERY</b>	
17	<b>Recovery of sums due to Provincial Government from Public or private wholesale markets</b>		<b>Recovery of sums due to Provincial Government from Public or private wholesale markets</b>	
	All sums due from private or public wholesale markets to the Provincial		All sums due from notified markets or private markets or any person to the Provincial Government, under the Act	

	Government may be recovered as arrears of land revenue.	or rules framed under it, may be recovered as arrears of land revenue.
18	<b>Recovery of outstanding dues of market committees</b> All the outstanding dues of the Market Committees before commencement of this Act shall be recovered from the defaulters by Government as arrears of land revenue or in accordance with the provisions of Agricultural Produce Markets Act, 1939.	<b>Recovery of outstanding dues of market committees</b> All the outstanding dues of the Market Committees before commencement of this Act shall be recovered from the defaulters by Government as arrears of land revenue.
	<b>CHAPTER - 6 OFFENCES AND PENALTIES</b>	
19	<b>Trial of offences</b> (1) No offence made punishable under this Act or any rule made thereunder shall be tried by a Court inferior to that of a Magistrate of the First Class. (2) Prosecutions under this Act may be instituted by a person duly authorized by the Provincial Government.	<b>Trial of offences</b> (1) No offence made punishable under this Act or any rule made thereunder shall be tried by a Court inferior to that of a Magistrate of the First Class. (2) Prosecutions under this Act may be instituted by a person duly authorized by the Provincial Government.
20	<b>Penalties</b> Whoever contravenes the provisions of this Act shall be punishable with a fine which may extend to one hundred thousand rupees, and, in the case of a continuing contravention, in addition to such fine as aforesaid, may extend to one thousand rupees for every day, during which the contravention is continued.	<b>Penalties</b> Whoever contravenes the provisions of this Act shall be punishable with a fine which may extend to one hundred thousand rupees, and, in the case of a continuing contravention, in addition to such fine as aforesaid, may extend to one thousand rupees for every day, during which the contravention is continued.
		<b>CHAPTER – 5 MISCELLANEOUS</b>
21	<b>Non-application of Sindh Privatization Commission Ordinance, 2001(XXXV of 2001).</b> Notwithstanding anything contained in the Sindh Privatization Commission Ordinance, 2001, the transfer of a notified market to a market company shall not be	<b>Non-application of Sindh Privatization Commission Ordinance, 2001(XXXV of 2001).</b> Notwithstanding anything contained in the Sindh Privatization Commission Ordinance, 2001, the transfer of a notified market to a market company shall not be deemed

	deemed to be a privatization for the purposes of the said Ordinance.	to be a privatization for the purposes of the said Ordinance.
	<b>CHAPTER – 7 GENERAL</b>	<b>CHAPTER – 7 GENERAL</b>
22	<b>Repeal</b> The Agricultural Produce Markets Act, 1939 shall stand repealed on expiry of three years of the commencement of this Act; provided that the Government shall continue to exercise all the powers under the Agricultural Produce Markets Act, 1939 to ensure that the statutory functions are performed by the notified markets until the same are transferred to market companies within the stipulated period as may be prescribed.	SHIFTED
23	<b>Act to override other laws</b> The provisions of this Act shall have effect notwithstanding anything contrary in any other law for the time being in force.	OMMITED
24	<b>Removal of difficulties.</b> If any difficulty arises in giving effect to the provisions of this Act, Government may make such order not inconsistent with the provisions of this Act, as may appear to it to be necessary for the purpose of removing the difficulty.	<b>Removal of difficulties.</b> If any difficulty arises in giving effect to the provisions of this Act, Government may make such order not inconsistent with the provisions of this Act, as may appear to it to be necessary for the purpose of removing the difficulty.
25	<b>Transfer of market committees</b> Government shall ensure that the notified markets are transferred to the market companies within the stipulated period as may be prescribed.	<b>Transfer of notified market</b> Government shall ensure that the notified markets are transferred to the market companies within the stipulated period.
26		<b>Repeal</b> The Agricultural Produce Markets Act, 1939 shall stand repealed on expiry of three years of the commencement of this Act; provided that the provisions of the Agricultural Produce Markets Act, 1939, shall apply during this period only to the



		notified markets which have not been transferred to the market companies.
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#### **5.4. APPENDIX D: Primary Persons Interviewed or Participating in Discussions**

##### **Islamabad:**

Jim Barnhart, Director, USAID/Pakistan Economic Growth Office  
Zachary Orend, COTR for FIRMS Project  
Carrie Abendroth, USAID Agriculture Office  
Diana Swain, USAID Agriculture Office  
Drew Schneider, USAID Agriculture Office  
James Franckiewicz, USAID Agriculture Office

##### **Karachi:**

Robert W. Beckman – Officer in Charge, Sindh & Balochistan, USAID  
Sarah Parvez – Program Management Specialist, USAID  
Arif N. Pervaiz, USAID Development Assistance Specialist  
Nahid Shah, Special Secretary Finance, Government of Sindh  
Fazal Ahmad Junejo, Deputy Director Agrimarketing.  
Agha Jan Akhtar, Secretary to the Government of Sindh, Agriculture Department  
Ashfaq Soomro, Deputy Secretary (Dept. of Agriculture, Govt. of Sindh)  
Faisal Ahsan Pirzada, Director, P&D Dept., Govt. of Sindh  
Dr. Shereen Narejo – Programme Coordinator P&D Dept., Govt. of Sindh

##### **Lahore:**

Arif Nadeem, Secretary to the Government of the Punjab, Agriculture Department  
Farhan Khawaja, Special Secretary, Agriculture Marketing Department, Government of the Punjab  
Mr. Muneer, In-charge Market Committees, Agriculture Marketing Department  
Mudasser Amin, Manager Exports, Metro Cash and Carry  
Saad Maghrabi, Buying Manager, Fruits and Vegetables, Metro Cash and Carry  
Qazi Abeel Javed, Quality Assurance Specialist Food, Metro Cash and Carry

## 5.5. List of Statutes

### USA

US Code Title 7 (Agriculture)  
California Food and Agriculture Code  
Texas Agriculture Code  
Iowa Code (Title V)

### Canada

Agricultural Products Cooperatives Marketing Act, 1985  
Agricultural Products Act, 1985  
Agricultural Products Marketing Act, 1985  
Alberta Marketing of Farm Product Act, 2000  
Ontario Farms Products Marketing Act, 2009  
Nova Scotia Agriculture and Marketing Act, 1989

### Australia

Australia Quarantine Act, 1908  
Trade Practices Act, 1974  
Export Control Act, 1982  
Products Certification Order, 1997  
Horticultural Marketing Services Development Act, 2000  
Australia Horticulture Code, 2007  
Victoria Food Act, 1984  
Victoria Gene Technology Acts, 2000 and 2001  
Victoria Genetically Modified Crops Act, 2004

### South Africa

Marketing of Agricultural Produce Act, 1996  
Perishable Commodities Export Control Act, 1983  
Agricultural Produce Agents Act, 1992  
Agricultural Products Standards Act, 1990

### Malaysia

Federal Agricultural Marketing Authority Act, 1965  
Farmers Organizations Authority Act, 1973

### India

Punjab Agricultural Produce Markets Act, 1966  
Grading and Marking Act, 1937  
Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980  
Consumer Protection Act, 1986  
Food Safety and Standards Act, 2006  
Warehouses (Development and Regulation) Act, 2007

## Pakistan

Agricultural Produce (Grading & Marking ) Act, 1937  
Agricultural Produce Markets Act, 1939(original).  
Agricultural Produce Marketing Act, 1939 (Sindh Version).  
Agricultural Produce Marketing Rules, 1940.  
Punjab Agricultural Produce Markets Ordinance, 1978.  
Punjab Agricultural Produce Marketing Rules, 1979.  
Punjab General Clauses Act, 1956.  
Baluchistan Agricultural Produce Marketing Act, 1991.  
NWFP (KPK) Agricultural Produce Marketing Act, 2007.  
Punjab Local Government Ordinance, 2001.  
W.P /Punjab Pure Food Ordinance 1960/Rules 1965  
Foodstuffs(Control) Act, 1958/Orders  
Draft Punjab Agricultural Produce Marketing Act, 2007.  
Draft Punjab Agricultural Marketing Law/Rules (A. F. Ferguson), 2007  
Draft Punjab Agricultural Produce Marketing Act, 2009.  
Sind Agricultural Produce Marketing Bill, 2010.

## Miscellaneous

Tanzania Food Security Act, 1991  
Tanzania Cereal and Other Products Act, 2009  
Kenya Agricultural Produce Marketing Act, 1936  
Kenya National Cereal Produce Board Act, 1985  
Bangladesh Agricultural Produce Markets (Regulation ) Act 1966  
Sri Lanka Agricultural Product (Regulation) Ordinance, 1939  
Philippine Agriculture & Fisheries Modernization Act, 1996



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